



Journal of the House

State of Indiana

114th General Assembly

First Regular Session

Thirty-second Meeting Day

Monday Afternoon

March 21, 2005

The House convened at 1:30 p.m. with the Speaker in the Chair.

The invocation was offered by Brother David Woods, Park Chapel Christian Church, Greenfield, the guest of Representative Robert W. Cherry.

The Pledge of Allegiance to the Flag was led by Representative Cherry.

The Speaker ordered the roll of the House to be called:

T. Adams	Klinker
Aguilera	Koch
Alderman	Kromkowski
Austin	Kuzman
Avery	L. Lawson
Ayres	Lehe
Bardon	Leonard
Bauer ☐	J. Lutz
Becker	Mahern
Behning	Mays ☐
Bischoff	McClain
Borders	Messer
Borror	Micon
Bottorff	Moses
Bright	Murphy
C. Brown	Neese
T. Brown	Noe
Buck	Orentlicher
Budak	Oxley
Buell	Pelath
Burton	Pflum ☐
Cheney	Pierce
Cherry	Pond
Cochran	Porter
Crawford	Reske
Crooks	Richardson
Davis	Ripley
Day	Robertson
Denbo	Ruppel
Dickinson	Saunders
Dobis ☐	J. Smith
Dodge	V. Smith
Duncan	Stevenson
Dvorak	Stilwell
Espich	Stutzman
Foley	Summers
Friend	Thomas
Frizzell	Thompson
Fry	Tincher
GiaQuinta	Torr
Goodin	Turner
Grubb	Ulmer
Gutwein	VanHaaften
E. Harris	Walorski
T. Harris	Welch
Heim	Whetstone
Hinkle	Wolkins
Hoffman	Woodruff
Hoy	Yount
Kersey	Mr. Speaker

Roll Call 258: 96 present; 4 excused. The Speaker announced a quorum in attendance. [NOTE: ☐ indicates those who were excused.]

HOUSE MOTION

Mr. Speaker: I move that when we do adjourn, we adjourn until Tuesday, March 22, 2005 at 1:30 p.m.

HOFFMAN

Motion prevailed.

REPORTS FROM COMMITTEES

COMMITTEE REPORT

Mr. Speaker: Your Committee on Government and Regulatory Reform, to which was referred Engrossed Senate Bill 298, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 1, after "IC 4-22-2-28" insert ", AS AMENDED BY P.L.4-2005, SECTION 20,".

Page 1, line 6, delete "council" and insert "corporation".

Page 1, line 10, delete "council" and insert "corporation".

Page 1, line 11, delete "council's" and insert "corporation's".

Page 3, between lines 24 and 25, begin a new paragraph and insert: "SECTION 2. IC 4-22-2-28.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 28.1. (a) This section applies to a rule for which the notice required by section 23 of this chapter is published by an agency after June 30, 2005.

(b) As used in this section, "coordinator" refers to the small business regulatory coordinator assigned to a rule by an agency under subsection (e).

(c) As used in this section, "director" refers to the director or other administrative head of an agency.

(d) As used in this section, "small business" means any person, firm, corporation, limited liability company, partnership, or association that:

(1) is actively engaged in business in Indiana and maintains its principal place of business in Indiana;

(2) is independently owned and operated;

(3) employs not more than one hundred (100) full-time employees; and

(4) has gross annual receipts of not more than five million dollars (\$5,000,000).

(e) For each:

(1) rulemaking action; and

(2) rule finally adopted as a result of a rulemaking action;

by an agency under this chapter, the agency shall assign one (1) staff person to serve as the agency's small business regulatory coordinator with respect to the proposed or adopted rule. The agency shall assign a staff person to a rule under this subsection based on the person's knowledge of, or experience with, the subject matter of the rule. A staff person may serve as the coordinator for more than one (1) rule proposed or adopted by the agency if the person is qualified by knowledge or experience with respect to each rule. Subject to subsection (f), in the case of a proposed rule, the agency's notice of intent to adopt the rule under section 23 of this chapter must include the name, address, telephone number, and electronic mail address of the small business coordinator for the proposed rule. Subject to subsection (f), in the case of a rule finally adopted by the agency, the final rule, as published in the Indiana Register and the Indiana Administrative Code, must include the name, address, telephone number, and electronic mail address of the coordinator.

(f) This subsection applies to a rule adopted by the department of environmental management or any of the boards (as defined in IC 13-11-2-18) under IC 13-14-9. In addition to the information required under subsection (e), the department or the board shall include in the notice provided under section 23 of this chapter and in the publication of the final rule in the Indiana Register and the Indiana Administrative Code:

- (1) a statement of the resources available to regulated entities through the technical and compliance assistance program established under IC 13-28-3;
- (2) the name, address, telephone number, and electronic mail address of the ombudsman designated under IC 13-28-3-2; and
- (3) if applicable, a statement of:
 - (A) the resources available to small businesses through the small business stationary source technical assistance program established under IC 13-28-5; and
 - (B) the name, address, telephone number, and electronic mail address of the ombudsman for small business designated under IC 13-28-5-2(3).

The coordinator assigned to the rule under subsection (e) shall work with the ombudsman described in subdivision (2) and the office of voluntary compliance established by IC 13-28-1-1 to coordinate the provision of services required under subsection (g) and IC 13-28-3. If applicable, the coordinator assigned to the rule under subsection (e) shall work with the ombudsman referred to in subdivision (3)(B) to coordinate the provision of services required under subsection (g) and IC 13-28-5.

(g) The coordinator assigned to a rule under subsection (e) shall serve as a liaison between the agency and any small business subject to regulation under the rule. The coordinator shall provide guidance to small businesses affected by the rule on the following:

- (1) Any requirements imposed by the rule, including any reporting, record keeping, or accounting requirements.
- (2) How the agency determines or measures compliance with the rule, including any deadlines for action by regulated entities.
- (3) Any penalties, sanctions, or fines imposed for noncompliance with the rule.
- (4) Any other concerns of small businesses with respect to the rule, including the agency's application or enforcement of the rule in particular situations. However, in the case of a rule adopted under IC 13-14-9, the coordinator assigned to the rule may refer a small business with concerns about the application or enforcement of the rule in a particular situation to the ombudsman designated under IC 13-28-3-2 or, if applicable, under IC 13-28-5-2(3).

(h) The coordinator assigned to a rule under subsection (e) shall provide guidance under this section in response to questions and concerns expressed by small businesses affected by the rule. The coordinator may also issue general guidelines or informational pamphlets to assist small businesses in complying with the rule. Any guidelines or informational pamphlets issued under this subsection shall be made available:

- (1) for public inspection and copying at the offices of the agency under IC 5-14-3; and
- (2) electronically through electronic gateway access.

(i) The coordinator assigned to a rule under subsection (e) shall keep a record of all comments, questions, and complaints received from small businesses with respect to the rule. The coordinator shall deliver the record, along with any accompanying documents submitted by small businesses, to the director:

- (1) not later than ten (10) days after the date on which the rule is file stamped by the secretary of state under section 35 of this chapter; and
- (2) before July 15 of each year during which the rule remains in effect.

The coordinator and the director shall keep confidential any information concerning a small business to the extent that the information is exempt from public disclosure under IC 5-14-3-4.

- (j) Not later than November 1 of each year, the director shall:
 - (1) compile the records received from all of the agency's coordinators under subsection (i);

(2) prepare a report that sets forth:

- (A) the number of comments, complaints, and questions received by the agency from small businesses during the most recent state fiscal year, categorized by the subject matter of the rules involved;
- (B) the number of complaints or questions reported under clause (A) that were resolved to the satisfaction of the agency and the small businesses involved;
- (C) the total number of staff serving as coordinators under this section during the most recent state fiscal year;
- (D) the agency's costs in complying with this section during the most recent state fiscal year; and
- (E) the projected budget required by the agency to comply with this section during the current state fiscal year; and

(3) deliver the report to the legislative council in an electronic format under IC 5-14-6 and to the Indiana economic development corporation established by IC 5-28-3.

SECTION 3. IC 4-22-2-28.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 28.2. (a) This section applies to a violation described in subsection (c) that occurs after June 30, 2005. However, in the case of a violation of a rule adopted under IC 13-14-9 by the department of environmental management or any of the boards (as defined in IC 13-11-2-18), the procedures set forth in IC 13-30-4-3 and IC 13-30-7 apply instead of this section.

(b) As used in this section, "small business" has the meaning set forth in section 28.1(d) of this chapter.

(c) Except as provided in subsection (d), a small business that voluntarily provides notice to an agency of the small business's actual or potential violation of a rule adopted by the agency under this chapter is immune from civil or criminal liability resulting from an agency action relating to the violation if the small business does the following:

- (1) Provides written notice of the violation to the agency not later than forty-five (45) days after the small business knew or should have known that the violation occurred.
- (2) Corrects the violation within a time, which in no case may be less than ninety (90) days after the date of the notice described in subdivision (1), agreed to by the agency and the small business.
- (3) Cooperates with any reasonable request by the agency in any investigation initiated in response to the notice.

(d) A small business is not immune from civil or criminal liability relating to a violation of which the small business provides notice under subsection (c) if any of the following apply:

- (1) The violation resulted in serious harm or in imminent and substantial endangerment to the public health, safety, or welfare.
- (2) The violation resulted in a substantial economic benefit that afforded the small business a clear advantage over the small business's competitors.
- (3) The small business has a pattern of continuous or repeated violations of the rule at issue or any other rules of the agency.

(e) Information that a small business provides under this section, including actions and documents that identify or describe the small business, to an agency in providing notice of the small business's actual or potential violation of a rule adopted by the agency is confidential, unless a clear and immediate danger to the public health, safety, or welfare or to the environment exists. Information described in this subsection may not be made available for use by the agency for purposes other than the purposes of this section without the consent of the small business.

(f) Voluntary notice of an actual or a potential violation of a rule that is provided by a small business under subsection (c) is not admissible as evidence in a proceeding, other than an agency proceeding, to prove liability for the rule violation or the effects of the rule violation.

SECTION 4. IC 13-14-8-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. (a) A rule or

standard adopted by a board may:

- (1) make different provisions as required by varying circumstances and conditions for different contaminant sources and for different geographical areas;
- (2) be made applicable to sources outside Indiana that:
 - (A) are causing;
 - (B) are contributing to; or
 - (C) could cause or contribute to;
 environmental pollution in Indiana; and
- (3) make provision for abatement standards and procedures:
 - (A) concerning occurrences, emergencies, or pollution; or
 - (B) on other short term conditions constituting an acute danger to health or to the environment.

(b) A rule or standard adopted by the air pollution control board or water pollution control board may not be more stringent than a corresponding federal provision established under federal law."

Page 3, between lines 31 and 32, begin a new paragraph and insert: "SECTION 7. IC 13-22-2-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. (a) The board shall adopt rules under IC 4-22-2 and IC 13-14-8 on the proper and safe transportation, treatment, storage, and disposal of hazardous wastes. Whenever possible, the rules adopted under this section must allow for variation in Indiana with regard to population density, climate, and geology.

(b) Rules adopted under this section concerning incinerators used as hazardous waste facilities may **not** establish requirements **that are** more stringent than the requirements for hazardous waste incinerators established by regulations adopted by the Administrator of the United States Environmental Protection Agency under the following statutes:

- (1) The federal Resource Conservation and Recovery Act (42 U.S.C. 6901 et seq.).
- (2) The federal Clean Air Act (42 U.S.C. 7401 et seq.), as amended by the federal Clean Air Act Amendments of 1990 (P.L.101-549).

SECTION 8. IC 13-23-1-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) The board shall adopt rules under IC 4-22-2 and IC 13-14-8 for the establishment and operation of the program established under section 1 of this chapter.

(b) The rules ~~must~~ may not be **more or** less stringent than the regulations adopted by the Administrator of the United States Environmental Protection Agency under Section 9003 of the federal Solid Waste Disposal Act, as amended (42 U.S.C. 6991b, as amended).

(c) The rules adopted under subsection (a) must include the following:

- (1) Requirements for maintaining:
 - (A) a leak detection system;
 - (B) an inventory control system coupled with tank testing; or
 - (C) a comparable system or method;
 designed to identify releases in a manner consistent with the protection of human health and the environment.
- (2) Requirements for maintaining records of any:
 - (A) monitoring;
 - (B) leak detection system;
 - (C) inventory control system or tank testing; or
 - (D) comparable system.
- (3) Requirements for reporting of:
 - (A) any releases; and
 - (B) corrective action taken in response to a release.
- (4) Requirements for ordering or taking corrective action in response to a release.
- (5) Requirements for closure of underground storage tanks to prevent future releases of regulated substances into the environment.
- (6) Requirements for maintaining evidence of financial responsibility for:
 - (A) taking corrective action; and
 - (B) compensating third parties for bodily injury and property damage caused by sudden and nonsudden accidental releases arising from the operation of an underground storage tank.
- (7) Standards of performance for new underground storage tanks.

(8) Requirements for the following:

- (A) Providing notice to the department of the existence of operational and nonoperational underground storage tanks, as required under 42 U.S.C. 6991a(a).
- (B) Providing the information required on the form prescribed under 42 U.S.C. 6991a(b)(2).
- (C) Providing notice, by any person who sells a tank intended to be used as an underground storage tank, to the purchaser of that tank of the owner's notification requirements established by this article and 42 U.S.C. 6991a(a)."

Renumber all SECTIONS consecutively.

(Reference is to SB 298 as printed January 28, 2005.)

and when so amended that said bill do pass.

Committee Vote: yeas 8, nays 1.

BUCK, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred Engrossed Senate Bill 327, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 6-1.1-1-3.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3.5. **"Base rate" means the statewide agricultural land base rate value per acre used to determine the true tax value of agricultural land under:**

- (1) the real property assessment guidelines of the department of local government finance; or**
- (2) rules or guidelines of the department of local government finance that succeed the guidelines referred to in subdivision (1).**

SECTION 2. IC 6-1.1-3-23 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]:

Sec. 23. (a) For purposes of this section:

- (1) "adjusted cost" refers to the adjusted cost established in 50 IAC 4.2-4-4 (as in effect on January 1, 2003);
- (2) "depreciable personal property" has the meaning set forth in 50 IAC 4.2-4-1 (as in effect on January 1, 2003);
- (3) "integrated steel mill" means a person that produces steel by processing iron ore and other raw materials in a blast furnace **in Indiana**;
- (4) "oil refinery/petrochemical company" means a person that produces a variety of petroleum products by processing an annual average of at least one hundred thousand (100,000) barrels of crude oil per day;
- (5) "permanently retired depreciable personal property" has the meaning set forth in 50 IAC 4.2-4-3 (as in effect on January 1, 2003);
- (6) "pool" refers to a pool established in 50 IAC 4.2-4-5(a) (as in effect on January 1, 2003);
- (7) "special integrated steel mill or oil refinery/petrochemical equipment" means depreciable personal property, other than special tools and permanently retired depreciable personal property:

(A) that:

- (i) is owned, leased, or used by an integrated steel mill or an entity that is at least fifty percent (50%) owned by an affiliate of an integrated steel mill; and
- (ii) falls within Asset Class 33.4 as set forth in IRS Rev. Proc. 87-56, 1987-2, C.B. 647; or

(B) that:

- (i) is owned, leased, or used as an integrated part of an oil refinery/petrochemical company or its affiliate; and
- (ii) falls within Asset Class 13.3 or 28.0 as set forth in IRS Rev. Proc. 87-56, 1987-2, C.B. 647;

(8) "special tools" has the meaning set forth in 50 IAC 4.2-6-2 (as in effect on January 1, 2003); and

(9) "year of acquisition" refers to the year of acquisition determined under 50 IAC 4.2-4-6 (as in effect on January 1, 2003).

(b) Notwithstanding 50 IAC 4.2-4-4, 50 IAC 4.2-4-6, and 50 IAC 4.2-4-7, a taxpayer may elect to calculate the true tax value of the taxpayer's special integrated steel mill or oil refinery/petrochemical equipment by multiplying the adjusted cost of that equipment by the percentage set forth in the following table:

Year of Acquisition	Percentage
1	40%
2	56%
3	42%
4	32%
5	24%
6	18%
7	15%
8 and older	10%

(c) The department of local government finance shall designate the table under subsection (b) as "Pool No. 5" on the business personal property tax return.

(d) The percentage factors in the table under subsection (b) automatically reflect all adjustments for depreciation and obsolescence, including abnormal obsolescence, for special integrated steel mill or oil refinery/petrochemical equipment. The equipment is entitled to all exemptions, credits, and deductions for which it qualifies.

(e) The minimum valuation limitations under 50 IAC 4.2-4-9 do not apply to special integrated steel mill or oil refinery/petrochemical equipment valued under this section. The value of the equipment is not included in the calculation of that minimum valuation limitation for the taxpayer's other assessable depreciable personal property in the taxing district.

(f) An election to value special integrated steel mill or oil refinery/petrochemical equipment under this section:

- (1) must be made by reporting the equipment under this section on a business personal property tax return;
- (2) applies to all of the taxpayer's special integrated steel mill or oil refinery/petrochemical equipment located in the state (whether owned or leased, or used as an integrated part of the equipment); and
- (3) is binding on the taxpayer for the assessment date for which the election is made.

The department of local government finance shall prescribe the forms to make the election beginning with the March 1, 2003, assessment date. Any special integrated steel mill or oil refinery/petrochemical equipment acquired by a taxpayer that has made an election under this section is valued under this section.

(g) If fifty percent (50%) or more of the adjusted cost of a taxpayer's property that would, notwithstanding this section, be reported in a pool other than Pool No. 5 is attributable to special integrated steel mill or oil refinery/petrochemical equipment, the taxpayer may elect to calculate the true tax value of all of that property as special integrated steel mill or oil refinery/petrochemical equipment. The true tax value of property for which an election is made under this subsection is calculated under subsections (b) through (f)."

Page 2, line 9, after "(b)" insert **"Subject to subsections (e) and (f),"**

Page 2, line 9, delete "The" and insert "the".

Page 2, between lines 37 and 38, begin a new paragraph and insert:

"(e) The annual adjustment of the assessed value of real property that would otherwise apply under this section for property taxes first due and payable in 2007 is phased in so that:

- (1) one-fifth (1/5) of the adjustment applies for property taxes first due and payable in 2007;**
- (2) an additional one-fifth (1/5) of the adjustment applies for property taxes first due and payable in 2008;**
- (3) an additional one-fifth (1/5) of the adjustment applies for property taxes first due and payable in 2009;**
- (4) an additional one-fifth (1/5) of the adjustment applies for property taxes first due and payable in 2010; and**
- (5) an additional one-fifth (1/5) of the adjustment applies for property taxes first due and payable in 2011.**

(f) The adjustments under subsection (e) for taxes first due and payable in 2008, 2009, 2010, and 2011 are in addition to any adjustments determined for those years under this section, which are determined based on the assessed value determined without the application of the adjustments under subsection (e)."

Page 3, between lines 5 and 6, begin a new paragraph and insert:

"SECTION 5. IC 6-1.1-4-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. (a) In assessing or reassessing land, the land shall be assessed as agricultural land only when it is devoted to agricultural use.

(b) The department of local government finance shall give written notice to each county assessor of:

- (1) the availability of the United States Department of Agriculture's soil survey data; and
- (2) the appropriate soil productivity factor for each type or classification of soil shown on the United States Department of Agriculture's soil survey map.

All assessing officials and the property tax assessment board of appeals shall use the data in determining the true tax value of agricultural land.

(c) The department of local government finance shall by rule provide for the method for determining the true tax value of each parcel of agricultural land.

(d) This section does not apply to land purchased for industrial, commercial, or residential uses.

(e) Before the assessment date in 2007, the department of local government finance shall, based on the department's best estimates, determine the base rate for the assessment date in 2007 in the amount of four hundred ninety-five dollars (\$495) per acre multiplied by the quotient of:

(1) the remainder of:

(A) the assessed value of real property other than agricultural land as of the assessment date in 2007; minus

(B) the sum of:

(i) the assessed value as of the assessment date in 2007 of real property constructed after the assessment date in 2001; plus

(ii) the assessed value as of the assessment date in 2007 of real property used, as described in subsection (g), as of the assessment date in 2007 for a purpose different from the use as of the assessment date in 2001; plus

(iii) the combined amount of deductions under IC 6-1.1-12-37 that apply as of the assessment date in 2007 to the assessed value of real property other than agricultural land; divided by

(2) the remainder of:

(A) the assessed value of real property other than agricultural land as of the assessment date in 2001; minus

(B) the sum of:

(i) the assessed value as of the assessment date in 2001 of the real property identified under subdivision (1)(B)(ii); plus

(ii) the combined amount of deductions under IC 6-1.1-12-37 that applied as of the assessment date in 2001 to the assessed value of real property other than agricultural land.

(f) This subsection applies to each calendar year after 2007. Before the assessment date in the current year, the department of local government finance shall, based on the department's best estimates, determine the base rate for the assessment date for the current year in the amount of the base rate determined under subsection (e) or this subsection for the assessment date in the immediately preceding year multiplied by the quotient of:

(1) the remainder of:

(A) the assessed value of real property other than agricultural land as of the assessment date in the current year; minus

(B) the sum of:

(i) the assessed value as of the assessment date in the current year of real property constructed after the assessment date in the immediately preceding year; plus

(ii) the assessed value as of the assessment date in the

current year of real property used, as described in subsection (g), as of the assessment date in the current year for a purpose different from the use as of the assessment date in the immediately preceding year; plus

(iii) the combined amounts of deductions under IC 6-1.1-12-37 that apply as of the assessment date in the current year to the assessed value of real property other than agricultural land; divided by

(2) the remainder of:

(A) the assessed value of real property other than agricultural land as of the assessment date in the immediately preceding year; minus

(B) the sum of:

(i) the assessed value as of the assessment date in the immediately preceding year of the real property identified under subdivision (1)(B)(ii); plus

(ii) the combined amount of the deductions under IC 6-1.1-12-37 that applied as of the assessment date in the immediately preceding year to the assessed value of real property other than agricultural land.

(g) For purposes of subsections (e)(1)(B)(ii) and (f)(1)(B)(ii), use of real property as of the current assessment date that is different from the use as of a previous assessment date is evidenced by:

(1) for a reason other than a change in the rules of the department of local government finance, applicability as of the current assessment date of an assessment methodology under the rules for the assessment of real property different from the assessment methodology that applied for the previous assessment date; or

(2) eligibility status of the real property as of the current assessment date for a credit or deduction under this article different from the eligibility status as of the previous assessment date resulting from a reason other than a failure to properly apply for a credit or deduction.

(h) For the assessment of agricultural land for assessment dates to which the real property assessment guidelines of the department of local government finance apply, the base rate determined by the department of local government finance under this section is substituted for the base rate in those guidelines.

(i) Immediately after determining a base rate under subsection (e) or (f), the department shall report the base rate to:

(1) the legislative council in an electronic format under IC 5-14-6;

(2) county assessors; and

(3) township assessors."

Page 3, single block indent lines 11 through 13.

Page 4, line 14, delete "For".

Page 4, line 15, delete "calendar year 2005 and each preceding calendar year,".

Page 4, line 15, delete "the" and insert "The".

Page 4, between lines 19 and 20, begin a new paragraph and insert:

"(b) With respect to the general reassessment of real property that is to commence on July 1, 2009, the county council of each county shall, for property taxes due in 2006, 2007, 2008, and 2009, levy in each year against all the taxable property in the county an amount equal to one-fourth (1/4) of the remainder of:

(1) the estimated costs referred to in section 28.5(a) of this chapter; minus

(2) the amount levied under this section by the county council for property taxes due in 2004 and 2005."

Page 4, line 20, after "(b)" insert "(c)".

Page 4, line 20, reset in roman "With respect to a general reassessment of real property that is to".

Page 4, line 21, reset in roman "commence on July 1,".

Page 4, line 21, after "2007," insert "2014,".

Page 4, line 21, reset in roman "and each".

Page 4, line 21, after "fourth" insert "fifth".

Page 4, line 21, reset in roman "year thereafter, the county".

Page 4, reset in roman line 22.

Page 4, line 23, reset in roman "general reassessment is to commence and the".

Page 4, line 23, after "(3)" insert "**four (4)**".

Page 4, line 23, reset in roman "years preceding".

Page 4, reset in roman line 24.

Page 4, line 25, reset in roman "equal to".

Page 4, line 25, after "(1/4)" insert "**one-fifth (1/5)**".

Page 4, line 25, reset in roman "of the estimated".

Page 4, line 25, after "cost" insert "**costs**".

Page 4, line 25, reset in roman "of the general".

Page 4, line 26, delete "reassessment." and insert "reassessment **under section 28.5 of this chapter.**".

Page 4, line 27, after "(c)" insert "**(d)**".

Page 4, line 27, reset in roman "The department of local government finance shall give to each".

Page 4, reset in roman lines 28 through 29.

Page 4, delete lines 30 through 34.

Page 4, line 35, delete "(c)" and insert "**(e)**".

Page 5, line 9, delete "(d)" and insert "**(f)**".

Page 5, line 10, after "(b)" insert "**or (c)**".

Page 5, line 19, delete "(e)" and insert "**(g)**".

Page 5, line 20, delete "(d)," and insert "**(f)**".

Page 5, line 27, delete "and money from property taxes imposed under section".

Page 5, line 28, delete "27.5(b) of this chapter".

Page 6, line 10, delete "The county treasurer shall transfer".

Page 6, delete lines 11 through 12.

Page 7, line 7, delete "or" and insert "**of**".

Page 7, line 18, delete "or" and insert "**of**".

Page 9, line 22, after "from" insert "**the**".

Page 9, line 22, delete "funds." and insert "**property reassessment fund.**".

Page 10, line 28, delete "county funds are" and insert "**money in the county's property reassessment fund is**".

Page 10, line 30, delete "county" and insert "**county's property reassessment fund**".

Page 17, line 3, after "commission or" delete "the".

Page 17, line 28, delete ":",

Page 17, line 29, delete "(1) before January 1, 2006,".

Page 17, run in lines 28 through 29.

Page 17, line 30, delete ":", and insert ":",

Page 17, line 30, delete "and".

Page 17, delete lines 31 through 32.

Page 18, delete lines 31 through 42.

Delete pages 19 through 22.

Page 23, delete lines 1 through 38, begin a new paragraph and insert:

"SECTION 16. IC 6-1.1-17-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 13. (a) **Except as provided in subsection (b), Ten (10) or more taxpayers or one (1) taxpayer that owns property that represents at least ten percent (10%) of the taxable assessed valuation in the political subdivision** may initiate an appeal from the county board of tax adjustment's action on a political subdivision's budget by filing a statement of their objections with the county auditor. The statement must be filed not later than ten (10) days after the publication of the notice required by section 12 of this chapter. The statement shall specifically identify the provisions of the budget and tax levy to which the taxpayers object. The county auditor shall forward the statement, with the budget, to the department of local government finance.

(b) This subsection applies to provisions of the budget and tax levy of a political subdivision:

(1) against which an objection petition was filed under section 5(b) of this chapter; and

(2) that were not changed by the fiscal body of the political subdivision after hearing the objections.

A group of ten (10) or more taxpayers may not initiate an appeal under subsection (a) against provisions of the budget and tax levy if less than seventy-five percent (75%) of the objecting taxpayers with respect to the objection petition filed under section 5(b) of this chapter were objecting taxpayers with respect to the objection statement filed under subsection (a) against those provisions.

(b) The department of local government finance shall:

(1) subject to subsection (c), give notice to the first ten (10) taxpayers whose names appear on the petition, or to the taxpayer that owns property that represents at least ten percent (10%) of the taxable assessed valuation in the political subdivision, in the case of an appeal initiated by that taxpayer, of the date, time, and location of the hearing on the objection statement filed under subsection (a);

(2) conduct a hearing on the objection; and

(3) after the hearing:

(A) consider the testimony and evidence submitted at the hearing; and

(B) mail the department's:

(i) written determination; and

(ii) written statement of findings;

to the first ten (10) taxpayers whose names appear on the petition, or to the taxpayer that owns property that represents at least ten percent (10%) of the taxable assessed valuation in the political subdivision, in the case of an appeal initiated by that taxpayer.

The department of local government finance may hold the hearing in conjunction with the hearing required under IC 6-1.1-17-16.

(c) The department of local government finance shall:

(1) provide written notice to:

(A) the first ten (10) taxpayers whose names appear on the petition; or

(B) the taxpayer that owns property that represents at least ten percent (10%) of the taxable assessed valuation in the political subdivision, in the case of an appeal initiated by that taxpayer; and

(2) publish notice of the hearing;

at least five (5) days before the date of the hearing.

SECTION 17. IC 6-1.1-17-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 16. (a) Subject to the limitations and requirements prescribed in this section, the department of local government finance may revise, reduce, or increase a political subdivision's budget, tax rate, or tax levy which the department reviews under section 8 or 10 of this chapter.

(b) Subject to the limitations and requirements prescribed in this section, the department of local government finance may review, revise, reduce, or increase the budget, tax rate, or tax levy of any of the political subdivisions whose tax rates compose the aggregate tax rate within a political subdivision whose budget, tax rate, or tax levy is the subject of an appeal initiated under this chapter.

(c) Except as provided in ~~subsection~~ **subsections (j) and (k)**, before the department of local government finance reviews, revises, reduces, or increases a political subdivision's budget, tax rate, or tax levy under this section, the department must hold a public hearing on the budget, tax rate, and tax levy. The department of local government finance shall hold the hearing in the county in which the political subdivision is located. The department of local government finance may consider the budgets, tax rates, and tax levies of several political subdivisions at the same public hearing. At least five (5) days before the date fixed for a public hearing, the department of local government finance shall give notice of the time and place of the hearing and of the budgets, levies, and tax rates to be considered at the hearing. The department of local government finance shall publish the notice in two (2) newspapers of general circulation published in the county. However, if only one (1) newspaper of general circulation is published in the county, the department of local government finance shall publish the notice in that newspaper.

(d) Except as provided in subsection (i), IC 6-1.1-19, or IC 6-1.1-18.5, the department of local government finance may not increase a political subdivision's budget, tax rate, or tax levy to an amount which exceeds the amount originally fixed by the political subdivision. The department of local government finance shall give the political subdivision written notification specifying any revision, reduction, or increase the department proposes in a political subdivision's tax levy or tax rate. The political subdivision has one (1) week from the date the political subdivision receives the notice to provide a written response to the department of local government finance's Indianapolis office specifying how to make the required reductions in the amount budgeted for each office or department. The

department of local government finance shall make reductions as specified in the political subdivision's response if the response is provided as required by this subsection and sufficiently specifies all necessary reductions. The department of local government finance may make a revision, a reduction, or an increase in a political subdivision's budget only in the total amounts budgeted for each office or department within each of the major budget classifications prescribed by the state board of accounts.

(e) The department of local government finance may not approve a levy for lease payments by a city, town, county, library, or school corporation if the lease payments are payable to a building corporation for use by the building corporation for debt service on bonds and if:

(1) no bonds of the building corporation are outstanding; or

(2) the building corporation has enough legally available funds on hand to redeem all outstanding bonds payable from the particular lease rental levy requested.

(f) The department of local government finance shall certify its action to:

(1) the county auditor; ~~and~~

(2) the political subdivision if the department acts pursuant to an appeal initiated by the political subdivision;

(3) the first ten (10) taxpayers whose names appear on a petition filed under section 13 of this chapter; and

(4) a taxpayer that owns property that represents at least ten percent (10%) of the taxable assessed valuation in the political subdivision.

(g) The following may petition for judicial review of the final determination of the department of local government finance under subsection (f):

(1) If the department acts under an appeal initiated by a political subdivision, the political subdivision.

(2) If the department acts under an appeal initiated by taxpayers under section 13 of this chapter, a taxpayer who signed the petition under that section.

(3) If the department acts under an appeal initiated by the county auditor under section 14 of this chapter, the county auditor.

(4) A taxpayer that owns property that represents at least ten percent (10%) of the taxable assessed valuation in the political subdivision.

The petition must be filed in the tax court not more than forty-five (45) days after the department certifies its action under subsection (f).

(h) The department of local government finance is expressly directed to complete the duties assigned to it under this section not later than February 15th of each year for taxes to be collected during that year.

(i) Subject to the provisions of all applicable statutes, the department of local government finance may increase a political subdivision's tax levy to an amount that exceeds the amount originally fixed by the political subdivision if the increase is:

(1) requested in writing by the officers of the political subdivision;

(2) either:

(A) based on information first obtained by the political subdivision after the public hearing under section 3 of this chapter; or

(B) results from an inadvertent mathematical error made in determining the levy; and

(3) published by the political subdivision according to a notice provided by the department.

(j) The department of local government finance shall annually review the budget of each school corporation not later than April 1. The department of local government finance shall give the school corporation written notification specifying any revision, reduction, or increase the department proposes in the school corporation's budget. A public hearing is not required in connection with this review of the budget.

(k) The department of local government finance may hold a hearing under subsection (c) only if the notice required in IC 6-1.1-17-12 is published at least ten (10) days before the date of the hearing."

Page 27, between lines 27 and 28, begin a new paragraph and

insert:

"SECTION 17. IC 6-1.1-21.8-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. (a) The board shall determine the terms of a loan made under this chapter. However, the interest charged on the loan may not exceed the percent of increase in the United States Department of Labor Consumer Price Index for Urban Wage Earners and Clerical Workers during the most recent twelve (12) month period for which data is available as of the date that the unit applies for a loan under this chapter. In the case of a qualified taxing unit that is not a school corporation or a public library (as defined in IC 20-14-1-2), a loan must be repaid not later than ten (10) years after the date on which the loan was made. In the case of a qualified taxing unit that is a school corporation or a public library (as defined in IC 20-14-1-2), a loan must be repaid not later than eleven (11) years after the date on which the loan was made. A school corporation or a public library (as defined in IC 20-14-1-2) is not required to begin making payments to repay a loan until after June 30, 2004. The total amount of all the loans made under this chapter may not exceed twenty-eight million dollars (\$28,000,000). The board may disburse the proceeds of a loan in installments. However, not more than one-third (1/3) of the total amount to be loaned under this chapter may be disbursed at any particular time without the review of the budget committee and the approval of the budget agency.

(b) A loan made under this chapter shall be repaid only from:

- (1) property tax revenues of the qualified taxing unit that are subject to the levy limitations imposed by IC 6-1.1-18.5 or IC 6-1.1-19; ~~or~~
- (2) in the case of a school corporation, the school corporation's debt service fund; or**
- ~~(2) (3)~~ **(3) any other source of revenues (other than property taxes) that is legally available to the qualified taxing unit.**

The payment of any installment of principal constitutes a first charge against the property tax revenues described in subdivision (1) that are collected by the qualified taxing unit during the calendar year the installment is due and payable.

(c) The obligation to repay a loan made under this chapter is not a basis for the qualified taxing unit to obtain an excessive tax levy under IC 6-1.1-18.5 or IC 6-1.1-19.

(d) Whenever the board receives a payment on a loan made under this chapter, the board shall deposit the amount paid in the counter-cyclical revenue and economic stabilization fund.

(e) This section does not prohibit a qualified taxing unit from repaying a loan made under this chapter before the date specified in subsection (a) if a taxpayer described in section 3 of this chapter resumes paying property taxes to the qualified taxing unit.

(f) Interest accrues on a loan made under this chapter until the date the board receives notice from the county auditor that the county has adopted at least one (1) of the following:

- (1) The county adjusted gross income tax under IC 6-3.5-1.1.
- (2) The county option income tax under IC 6-3.5-6.
- (3) The county economic development income tax under IC 6-3.5-7.

Notwithstanding subsection (a), interest may not be charged on a loan made under this chapter if a tax described in this subsection is adopted before a qualified taxing unit applies for the loan."

Page 27, strike line 33.

Page 27, line 34, strike "(2)" and insert "(1)".

Page 27, line 35, strike "(3)" and insert "(2)".

Page 27, line 36, strike "(4)" and insert "(3)".

Page 27, line 37, strike "(5)" and insert "(4)".

Page 30, between lines 5 and 6, begin a new paragraph and insert:
"SECTION 17. IC 6-1.1-31.5-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. (a) The department may revoke a certification issued under section 2 of this chapter for at least three (3) years if it determines:

- (1) that information given by an applicant was false; or
- (2) the product, provider, or service certified does not meet the minimum requirements of the department.

(b) If a certification is revoked, any Indiana contract that the provider has is void and the contractor may not receive any additional funds under the contract.

(c) An individual at least eighteen (18) years of age who resides in

Indiana and any corporation that satisfies the requirements of this chapter and the rules of the department may be certified as:

- (1) a software ~~or computer operating system~~ provider;
- (2) a service provider; or
- (3) a computer equipment provider.

(d) A person may not sell, buy, trade, exchange, option, lease, or rent ~~computer operating systems~~; software, computer equipment, or service to a county under this chapter without a certification from the department.

(e) A contract for computer software, computer equipment, a computer operating program or computer system service providers under this chapter must contain a provision specifying that the contract is void if the provider's certification is revoked.

(f) The department may not limit the number of systems or providers certified by this chapter so long as the system or provider meets the specifications or standards of the department."

Page 30, delete lines 16 through 42.

Delete page 31.

Page 32, delete lines 1 through 17.

Page 33, between lines 2 and 3, begin a new paragraph and insert:
"SECTION 23. [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)] IC 6-1.1-3-23, as amended by this act, applies only to property taxes first due and payable after December 31, 2004."

Page 34, between lines 27 and 28, begin a new paragraph and insert:

"SECTION 27. [EFFECTIVE UPON PASSAGE] (a) As used in this SECTION, "assessment date" has the meaning set forth in IC 6-1.1-1-2.

(b) For the property tax assessment of agricultural land for assessment dates in 2005 and 2006, the statewide agricultural land base rate value of eight hundred eighty dollars (\$880) per acre is substituted for the statewide agricultural land base rate value of one thousand fifty dollars (\$1,050) per acre in the real property assessment guidelines of the department of local government finance that apply for those assessment dates.

(c) This SECTION expires January 1, 2008.

SECTION 28. [EFFECTIVE UPON PASSAGE] (a) The definitions in IC 6-1.1-1 apply throughout this SECTION.

(b) As used in this SECTION, "taxpayer" means a nonprofit corporation that is an owner of land and improvements:

(1) that were:

(A) owned and occupied by the taxpayer during the period preceding the assessment date in 1999 and continuing through the date that this SECTION is effective; and

(B) used to prepare and create a soccer facility to provide youths with the opportunity to play supervised and organized soccer against other youths;

(2) for which the property tax liability imposed for property taxes first due and payable in 2000, 2001, 2002, 2003, and 2004 exceeded thirty-three thousand dollars (\$33,000), in total, which has been paid by the taxpayer;

(3) that would have qualified for an exemption under IC 6-1.1-10 from property taxes first due and payable in 2000, 2001, 2002, 2003, and 2004 if the taxpayer had complied with the filing requirements for the exemption in a timely manner; and

(4) that have been granted an exemption under IC 6-1.1-10 from property taxes first due and payable in 2005.

(c) Land and improvements described in subsection (b) are exempt under IC 6-1.1-10-16 from property taxes first due and payable in 2000, 2001, 2002, 2003, and 2004, notwithstanding that the taxpayer failed to make a timely application for the exemption on or before May 15 of the years listed in this subsection.

(d) The taxpayer may file claims with the county auditor for a refund for the amounts paid toward property taxes on land and improvements described in subsection (b) that were billed to the taxpayer for property taxes first due and payable in 2000, 2001, 2002, 2003, and 2004. The claims must be filed as set forth in IC 6-1.1-26-1(1) through IC 6-1.1-26-1(3). The claims must present sufficient facts for the county auditor to determine

whether the claimant is a person that meets the qualifications described in subsection (b) and the amount that should be refunded to the taxpayer.

(e) Upon receiving a claim filed under this SECTION, the county auditor shall determine whether the claim is correct. If the county auditor determines that the claim is correct, the county auditor shall submit the claim under IC 6-1.1-26-4 to the county board of commissioners for review. The only grounds for disallowing the claim under IC 6-1.1-26-4 are that the claimant is not a person that meets the qualifications described in subsection (b) or that the amount claimed is not the amount due to the taxpayer. If the claim is allowed, the county auditor shall, without an appropriation being required, issue a warrant to the claimant payable from the county general fund for the amount due the claimant under this SECTION. The amount of the refund must equal the amount of the claim allowed. Notwithstanding IC 6-1.1-26-5, no interest is payable on the refund.

(f) This SECTION expires December 31, 2007.

SECTION 29. [EFFECTIVE UPON PASSAGE] (a) The definitions in IC 6-1.1-1 apply throughout this SECTION.

(b) A religious institution may file an application under IC 6-1.1-11 before May 11, 2005, for exemption of one (1) or more parcels of real property for property taxes first due and payable in 2001 and 2002 if:

- (1) the religious institution did not file an application under IC 6-1.1-11 for exemption of the real property with respect to property taxes first due and payable in 2001 or 2002;
- (2) the religious institution acquired the real property after December 31, 1998; and
- (3) the real property was exempt from property taxes for property taxes first due and payable in 2000.

(c) If a religious institution files an exemption application under subsection (b):

- (1) the exemption application is subject to review and action by:
 - (A) the county property tax assessment board of appeals; and
 - (B) the department of local government finance; and
- (2) the exemption determination made under subdivision (1) is subject to appeal;

in the same manner that would have applied if an application for exemption had been timely filed in 2000 and 2001.

(d) If an exemption application filed under subsection (b) is approved, the religious institution may file a claim under IC 6-1.1-26-1 with the county auditor for a refund for any payment of property taxes first due and payable in 2001 and for any payment of property taxes first due and payable in 2002, including any paid interest and penalties, with respect to the exempt property.

(e) Upon receiving a claim for a refund filed under subsection (d), the county auditor shall determine whether the claim is correct. If the county auditor determines that the claim is correct, the auditor shall, without an appropriation being required, issue a warrant to the claimant payable from the county general fund for the amount of the refund due the claimant. Interest is not payable on the refund.

(f) If an exemption application filed under subsection (b) is approved, the county treasurer shall forgive the interest and penalties charged to the religious institution for the exempt property in 2001 and 2002 to the extent of the approved exemptions.

(g) This SECTION expires January 1, 2006.

SECTION 30. [EFFECTIVE UPON PASSAGE] (a) The definitions in IC 6-1.1-1 apply throughout this SECTION.

(b) A religious institution may file an application under IC 6-1.1-11 before August 1, 2005, for exemption of one (1) or more parcels of real property for property taxes first due and payable in 2001, 2002, 2003, 2004, and 2005 if:

- (1) the religious institution did not file an application under IC 6-1.1-11 for exemption of the real property with respect to property taxes first due and payable in 2001, 2002, 2003, 2004, or 2005;
- (2) the religious institution acquired the real property after December 31, 1999, for charitable or religious purposes;

(3) it is determined that the real property is exempt or would have been exempt from property taxes for property taxes first due and payable after December 31, 1999; and

(4) the religious institution:

- (A) has occupied the real property for the years described in subdivision (1); and
- (B) has used the real property for its religious or charitable purposes in the years described in subdivision (1).

(c) If a religious institution files an exemption application under subsection (b):

- (1) the exemption application is subject to review and action by:
 - (A) the county property tax assessment board of appeals; and
 - (B) the department of local government finance; and
- (2) the exemption determination made under subdivision (1) is subject to appeal;

in the same manner that would have applied if an application for exemption had been timely filed in 2000, 2001, 2002, 2003, and 2004.

(d) The religious institution may file a claim under IC 6-1.1-26-1 with the county auditor for a refund for any payment of property taxes first due and payable in 2001, 2002, 2003, 2004, and 2005, including any paid interest and penalties, with respect to the exempt property if:

- (1) an exemption application filed under subsection (b) is approved; and
- (2) the religious institution has paid any property taxes in 2001, 2002, 2003, 2004, and 2005 attributable to the exempt property.

(e) Upon receiving a claim for a refund filed under subsection (d), the county auditor shall determine whether the claim is correct. If the county auditor determines that the claim is correct, the auditor shall, without an appropriation being required, issue a warrant to the claimant payable from the county general fund for the amount of the refund due the claimant. Interest is not payable on the refund.

(f) If:

- (1) the religious institution incurred property tax liabilities in any combination of 2001, 2002, 2003, 2004, or 2005 because of the failure to properly apply for a property tax exemption for the religious institution's real property described in subsection (a); and
- (2) an exemption application filed under subsection (b) is approved;

the county treasurer of the county in which the real property is located shall forgive the property taxes, penalties, and interest charged to the religious institution for the exempt property in any combination of 2001, 2002, 2003, 2004, or 2005.

(g) This SECTION expires January 1, 2006."

Renumber all SECTIONS consecutively.

(Reference is to SB 327 as reprinted March 1, 2005.)

and when so amended that said bill do pass.

Committee Vote: yeas 18, nays 0.

ESPICH, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Government and Regulatory Reform, to which was referred Engrossed Senate Bill 417, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 9, nays 0.

BUCK, Chair

Report adopted.

OTHER BUSINESS ON THE SPEAKER'S TABLE

MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that

the Senate has passed Senate Concurrent Resolutions 49 and 50 and the same are herewith transmitted to the House for further action.

MARY C. MENDEL
Principal Secretary of the Senate

RESOLUTIONS ON FIRST READING

House Concurrent Resolution 26

Representative Burton introduced House Concurrent Resolution 26:

A CONCURRENT RESOLUTION to congratulate Alexandra Miller as a recipient of a 2005 Prudential Spirit of Community Award which honors top youth volunteers in the State of Indiana.

Whereas, Alexandra Miller, an esteemed resident of Greenwood, Indiana and an eight-grade student at Center Grove Middle School North, has achieved national recognition for exemplary volunteer service by receiving a 2005 Prudential Spirit of Community Award;

Whereas, This prestigious award, presented by Prudential Financial in partnership with the National Association of Secondary School Principals, honors young volunteers across America who have demonstrated an extraordinary commitment to serving their communities;

Whereas, Alexandra Miller was born with a heart defect and has endured two open-heart surgeries and many other heart procedures earned this award by giving generously of her time and energy to raise money and speak out for heart research;

Whereas, Alexandra Miller's family became involved with the American Heart Association soon after she was born;

Whereas, Alexandra Miller began speaking to groups about heart research and education as soon as she was old enough to do so;

Whereas, Alexandra Miller met her goal of \$13,000 in the 2003 "American Heart Walk," doubling her previous year's fund-raising total and making her the top fund-raiser in the Indianapolis area as well as one of the top fifteen fund-raisers in the United States; and

Whereas, The success of the State of Indiana, the strength of our communities, and the overall vitality of American society depend, in great measure, upon the dedication of young people like Alexandra Miller who use their considerable talents and resources to serve others: Therefore,

*Be it resolved by the House of Representatives
of the General Assembly of the State of Indiana,
the Senate concurring:*

SECTION 1. That the Indiana House of Representatives does congratulate and honor Alexandra Miller as a recipient of a Prudential Spirit of Community Award, recognizes her outstanding record of volunteer service, peer leadership, and community spirit, and extends best wishes for her continued success and happiness.

SECTION 2. That the Principal Clerk of the House of Representatives shall transmit a copy of this resolution to the parents of Alexandra Miller and to Alexandra Miller.

The resolution was read a first time and adopted by voice vote. The Clerk was directed to inform the Senate of the passage of the resolution. Senate sponsors: Senators Miller and Waltz.

Senate Concurrent Resolution 49

The Speaker handed down Senate Concurrent Resolution 49, sponsored by Representatives Noe and Orentlicher:

A CONCURRENT RESOLUTION honoring the North Central High School girls' basketball team for winning the 2005 IHSAA Class 4A Championship.

Whereas, The North Central High School girls' basketball team enjoyed a season record of 20-7 and were Co-Champions of the Metropolitan Interscholastic Conference;

Whereas, On March 5, 2005, North Central High School triumphed over Gary West Side by a score of 57-54 in the championship game at Conseco Fieldhouse in Indianapolis, becoming only the second team to win back-to-back Class 4A championships;

Whereas, Head Coach Alan Vickrey was named Coach of the Year and Junior Guard Amber Harris was named Player of the Year by the Indianapolis Star; and

Whereas, In addition to all of their accomplishments on the court, the team demonstrated a commitment to academics by maintaining an average GPA of 3.27: Therefore,

*Be it resolved by the Senate
of the General Assembly of the State of Indiana,
the House of Representatives concurring:*

SECTION 1. That the Indiana General Assembly congratulates the North Central High School girls' basketball team for their outstanding season culminating with the IHSAA Class 4A State Championship.

SECTION 2. The Secretary of the Senate is hereby directed to transmit a copy of this resolution to Principal C.E. Quandt, Athletic Director Charles Jones, Head Coach Alan Vickrey, and each member of the championship team.

The resolution was read a first time and adopted by voice vote. The Clerk was directed to inform the Senate of the passage of the resolution.

Senate Concurrent Resolution 50

The Speaker handed down Senate Concurrent Resolution 50, sponsored by Representatives Noe and Orentlicher:

A CONCURRENT RESOLUTION honoring the North Central High School boys' swimming and diving team for winning the 68th Annual IHSAA Boys Swimming and Diving State Finals.

Whereas, The North Central High School boys' swimming and diving team enjoyed a season record of 14-1 and were the Metropolitan Interscholastic Conference and Marion County Champions;

Whereas, On February 26, 2005, North Central High School won the 400 freestyle relay en route to scoring 221 points to win the state championship at the IU Natatorium in Indianapolis;

Whereas, 2005 marks the team's second state championship, and its first state championship since 1983; and

Whereas, In addition to all of their accomplishments in the pool, the team demonstrated a commitment to academics by maintaining an average GPA of 3.51: Therefore,

*Be it resolved by the Senate
of the General Assembly of the State of Indiana,
the House of Representatives concurring:*

SECTION 1. That the Indiana General Assembly congratulates the North Central High School boys' swimming and diving team for their outstanding season culminating with the IHSAA boys' Swimming and Diving State Championship.

SECTION 2. The Secretary of the Senate is hereby directed to transmit a copy of this resolution to Principal C.E. Quandt, Athletic Director Charles Jones, Head Coach Mark Hesse, and each member of the championship team.

The resolution was read a first time and adopted by voice vote. The Clerk was directed to inform the Senate of the passage of the resolution.

The House recessed until the fall of the gavel.

RECESS

The House reconvened at 4:10 p.m. with the Speaker in the Chair.

Representative Mays, who had been excused, was present.

Pursuant to House Rule 60, committee meetings were announced.

MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has passed, without amendments, Engrossed House

Bills 1032 and 1540 and the same are herewith returned to the House.

MARY C. MENDEL
Principal Secretary of the Senate

MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has passed House Concurrent Resolutions 24 and 26 and the same are herewith returned to the House.

MARY C. MENDEL
Principal Secretary of the Senate

MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has passed Senate Concurrent Resolution 38 and the same is herewith transmitted to the House for further action.

MARY C. MENDEL
Principal Secretary of the Senate

ENGROSSED SENATE BILLS ON THIRD READING

Engrossed Senate Bill 483

Representative T. Brown called down Engrossed Senate Bill 483 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning elections.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 259: yeas 52, nays 45. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill.

Engrossed Senate Bill 444

Representative Friend called down Engrossed Senate Bill 444 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning drugs and controlled substances.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 260: yeas 91, nays 6. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill.

Engrossed Senate Bill 1

Representative Turner called down Engrossed Senate Bill 1 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 261: yeas 78, nays 19. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill.

With consent of the members, the House returned to bills on second reading.

ENGROSSED SENATE BILLS ON SECOND READING

The following bills were called down by their respective sponsors, were read a second time by title, and, there being no amendments, were ordered engrossed: Engrossed Senate Bills 12, 44, 76, 95, 98, 101, 193, 206, 209, 223, 225, 265, 266, 267, 285, 306, 332, 420, 442, 453, 465, 484, 554, 569, 572, 619, and 634.

With consent of the members, the House returned to reports from committees.

REPORTS FROM COMMITTEES

COMMITTEE REPORT

Mr. Speaker: Your Committee on Roads and Transportation, to which was referred Engrossed Senate Bill 79, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 10, nays 0.

DUNCAN, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Roads and Transportation, to which was referred Engrossed Senate Bill 227, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 9-24-6-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) The bureau shall adopt rules under IC 4-22-2 to regulate persons required to hold a commercial driver's license.

(b) The rules must carry out 49 U.S.C. 521, 49 U.S.C. 31104, 49 U.S.C. 31301 through 31306, 49 U.S.C. 31308 through 31317, and 49 CFR 383 through 384, and may not be more restrictive than the federal Motor Carrier Safety Improvement Act of 1999 (MCSIA) (Public Law 106-159.113 Stat. 1748).

(c) Rules adopted under this section must include the following:

(1) Establishment of classes and periods of validation of commercial driver's licenses.

(2) Standards for commercial driver's licenses, including suspension and revocation procedures.

(3) Requirements for documentation of eligibility for legal employment, as set forth in 8 CFR 274a.2, and proof of residence in Indiana.

(4) Development of written or oral tests, driving tests, and fitness requirements.

(5) Defining the commercial driver's licenses by classification and the information to be contained on the licenses, including ~~the Social Security number~~ and a unique identifier of the holder.

(6) Establishing fees for the issuance of commercial driver's licenses, including fees for testing and examination.

(7) Procedures for the notification by the holder of a commercial driver's license to the bureau and the driver's employer of pointable traffic offense convictions.

(8) Conditions for reciprocity with other states, including requirements for a written commercial driver's license test and operational skills test, and a hazardous materials endorsement written test and operational skills test, before a license may be issued.

(9) Other rules necessary to administer this chapter.

(d) 49 CFR 383 through 384 are adopted as Indiana law."

Page 2, line 36, delete "section 2 of this chapter" and insert "IC 9-24-9-2".

Renumber all SECTIONS consecutively.

(Reference is to SB 227 as printed February 25, 2005.) and when so amended that said bill do pass.

Committee Vote: yeas 10, nays 0.

DUNCAN, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Roads and Transportation, to which was referred Engrossed Senate Bill 242, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, delete lines 1 through 17.

Page 2, delete lines 1 through 24.

Page 2, line 28, delete "suspension, modification, or".

Page 2, line 38, delete "suspend,".

Page 2, line 39, delete "modify, or".

Page 2, line 39, delete "all or part of".

Page 3, line 4, delete "suspension, modification, or".

Page 3, line 4, delete "all or part of".

Page 3, line 8, delete "A" and insert **"If a court waives a fee for reinstatement of a driver's license under this section, the"**.

Page 3, line 8, delete ":".

Page 3, delete lines 9 through 11.

Page 3, line 12, delete "(2)".

Page 3, run in lines 8 through 12.

Page 3, line 13, delete "suspends, modifies, or".

Page 3, delete lines 16 through 39.

Renumber all SECTIONS consecutively.

(Reference is to SB 242 as printed February 18, 2005.)

and when so amended that said bill do pass.

Committee Vote: yeas 9, nays 0.

DUNCAN, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred Engrossed Senate Bill 301, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 8, nays 0.

BEHNING, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Policy and Veterans Affairs, to which was referred Engrossed Senate Bill 304, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 3, between lines 21 and 22, begin a new paragraph and insert: "SECTION 2. IC 20-12-21-5.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5.1. (a) In addition to the duties described in section 5(a) of this chapter, the commission shall do the following:

- (1) Prepare and supervise the issuance of public information concerning all of the commission's programs.
- (2) Prescribe the form and regulate the submission of applications for all of the commission's programs.
- (3) Determine the amounts of grants and scholarships.
- (4) Determine eligibility for grants and scholarships.
- (5) Receive federal funds made available to the commission for awards, grants, and scholarships, and disburse these funds in the manner prescribed by federal law.

(b) In addition to the powers described in section 5(b) of this chapter, the commission may do the following:

- (1) Accept gifts, grants, devises, or bequests for the purpose of providing grants, awards, scholarships, loans, or other forms of financial aid to students attending approved institutions of higher learning.
- (2) Enter into contracts, subject to IC 4-13-2, that the commission determines are necessary to carry out the commission's functions.
- (3) Provide administrative or technical assistance to other governmental or nongovernmental entities if the provision of this assistance will increase the number and value of grants, awards, scholarships, or loans available to students attending approved institutions of higher learning.
- (c) When the commission receives an offer of a gift, grant, devise, or bequest under subsection (b)(1), the commission may accept stipulations on the use of the donated funds. In this case, sections 7(d) and 17 of this chapter do not apply. Before accepting a gift, grant, devise, or bequest, the commission shall determine that the purposes for which a donor proposes to provide funds are:
 - (1) lawful;

(2) in the state's best interests; and

(3) generally consistent with the commission's programs and purposes.

Whenever the commission agrees to stipulations on the use of donated funds under this subsection, the commission and the donor shall, subject to approval by the state budget agency and the governor or the governor's designee, execute an agreement.

(d) Whenever the commission agrees to provide administrative or technical assistance under subsection (b)(3), the commission and the party to whom the assistance is to be provided shall execute an agreement specifying:

(1) the assistance that is to be provided; and

(2) the charges, if any, that are to be assessed by the commission for providing this assistance.

The commission may waive charges for administrative or technical assistance under this subsection if the commission determines that a waiver is in the best interest of the state. Agreements to provide assistance under this subsection must be approved by the budget agency and the governor or the governor's designee.

(e) The commission shall exercise its functions without regard to an applicant's race, creed, sex, color, national origin, or ancestry.

(f) This subsection applies to a person called to active duty after September 11, 2001. As used in this subsection, "active duty" means full-time service in:

(1) the national guard (as defined in IC 10-16-1-13); or

(2) any reserve component of the:

(A) Indiana national guard; or

(B) armed forces;

that exceeds thirty (30) consecutive days in a calendar year. When determining financial eligibility under subsection (a)(4) for a Frank O'Bannon grant, which includes grants formerly designated as the higher education award and the freedom of choice award, the commission may not consider any salary for service on active duty that is received by a member of the national guard who is called to active duty."

Page 3, after line 29, begin a new paragraph and insert:

"SECTION 4. **An emergency is declared for this act.**"

Renumber all SECTIONS consecutively.

(Reference is to SB 304 as reprinted January 26, 2005.)

and when so amended that said bill do pass.

Committee Vote: yeas 7, nays 0.

ALDERMAN, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred Engrossed Senate Bill 397, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 6-1.1-18.5-10.3, AS AMENDED BY P.L.2-2005, SECTION 88, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 10.3. (a) The ad valorem property tax levy limits imposed by section 3 of this chapter do not apply to ad valorem property taxes imposed by a library board for a capital projects fund under ~~IC 36-12-3~~ **IC 36-12-12**. However, the maximum amount that is exempt from the levy limits under this section may not exceed the property taxes that would be raised in the ensuing calendar year with a property tax rate of one and thirty-three hundredths cents (\$0.0133) per one hundred dollars (\$100) of assessed valuation.

(b) For purposes of computing the ad valorem property tax levy limit imposed on a library board under section 3 of this chapter, the library board's ad valorem property tax levy for a particular calendar year does not include that part of the levy imposed under ~~IC 36-12-3~~ **IC 36-12-12** that is exempt from the ad valorem property tax levy limits under subsection (a).

SECTION 2. IC 9-21-5-13, AS AMENDED BY HEA 1288-2005, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 13. (a) Except as provided in subsections (b) and (c), a person who violates this chapter commits a

Class C infraction.

(b) A person who exceeds a speed limit that is:

- (1) established under section 6 of this chapter and imposed only in the immediate vicinity of a school when children are present; or
- (2) established under section 11 of this chapter and imposed only in the immediate vicinity of a worksite when workers are present;

commits a Class B infraction.

(c) A person who while operating a school bus **knowingly, intentionally, or recklessly** exceeds a speed limit set forth in section 14 of this chapter commits a Class C misdemeanor.

SECTION 3. IC 9-21-12-11, AS AMENDED BY HEA 1288-2005, SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 11. (a) A person who violates section 5, 6, or 7 of this chapter commits a Class C infraction.

(b) A person who **knowingly, intentionally, or recklessly** violates section 12, 13, 14, 15, 16, or 17 of this chapter commits a Class C misdemeanor.

SECTION 4. IC 10-13-3-21, AS AMENDED BY HEA 1288-2005, SECTION 116, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 21. As used in this chapter, "special education cooperative" has the meaning set forth in ~~IC 20-35-5-1(a)(7)~~. IC 20-35-5-1(7)."

Page 11, between lines 2 and 3, begin a new paragraph and insert: "SECTION 18. IC 20-12-76-18, AS ADDED BY HEA 1288-2005, SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 18. (a) Subject to subsections (b), (c), (e), and (f), the commission shall determine the penal sum of each surety bond based upon the following guidelines:

- (1) A postsecondary proprietary educational institution that has no annual gross tuition charges assessed for the previous year shall secure a surety bond in the amount of five thousand dollars (\$5,000).
- (2) If the postsecondary proprietary educational institution's annual gross tuition charges assessed for the previous year are not more than five thousand dollars (\$5,000), the institution shall secure a surety bond in the amount of one hundred percent (100%) of that institution's annual gross tuition charges assessed for the previous year.
- (3) If the postsecondary proprietary educational institution's annual gross tuition charges assessed for the previous year are more than five thousand dollars (\$5,000) but less than fifty thousand dollars (\$50,000), the institution shall secure a surety bond in the amount of five thousand dollars (\$5,000).
- (4) If the postsecondary proprietary educational institution's annual gross tuition charges assessed for the previous year are more than fifty thousand dollars (\$50,000) but less than five hundred thousand dollars (\$500,000), the institution shall secure a surety bond in the amount of ten percent (10%) of that institution's annual gross tuition charges assessed for the previous year.
- (5) If the postsecondary proprietary educational institution's annual gross tuition charges assessed for the previous year are more than five hundred thousand dollars (\$500,000), the institution shall secure a surety bond in the amount of fifty thousand dollars (\$50,000).

(b) When a postsecondary proprietary educational institution is required to contribute to the fund and the fund has a balance on the date that the surety bond is due of at least:

- (1) one hundred thousand dollars (\$100,000), the commission shall reduce the penal sum of the surety bond described in subsection (a) by twenty percent (20%);
- (2) two hundred thousand dollars (\$200,000), the commission shall reduce the penal sum of the surety bond described in subsection (a) by forty percent (40%);
- (3) three hundred thousand dollars (\$300,000), the commission shall reduce the penal sum of the surety bond described in subsection (a) by sixty percent (60%);
- (4) four hundred thousand dollars (\$400,000), the commission shall reduce the penal sum of the surety bond described in subsection (a) by eighty percent (80%); or
- (5) five hundred thousand dollars (\$500,000), the commission

shall reduce the penal sum of the surety bond described in subsection (a) by one hundred percent (100%).

(c) Except as provided in:

- (1) section ~~22~~ 21 of this chapter; and
- (2) subsection (f);

and upon the fund achieving at least an initial five hundred thousand dollar (\$500,000) balance, each postsecondary proprietary educational institution that contributes to the fund when the initial quarterly contribution as required under this chapter after the fund's establishment is not required to make contributions to the fund or submit a surety bond.

(d) The commission shall determine the number of quarterly contributions required for the fund to initially accumulate five hundred thousand dollars (\$500,000).

(e) Except as provided in section ~~22~~ 21 of this chapter and subsection (f), postsecondary proprietary educational institutions that begin making contributions to the fund after the initial quarterly contribution as required under this chapter are:

- (1) required to make contributions to the fund for the same number of quarters as determined by the commission under subsection (d); and
- (2) after making the contributions to the fund as provided in subdivision (1) for the required number of quarters, may not be required to submit a surety bond.

(f) If after the fund acquires five hundred thousand dollars (\$500,000) the balance in the fund becomes less than one hundred thousand dollars (\$100,000), all postsecondary proprietary educational institutions not required to make contributions to the fund as described in subsection (c) or (e) shall make contributions to the fund for the number of quarters necessary for the fund to accumulate five hundred thousand dollars (\$500,000).

SECTION 19. IC 20-12-76-40, AS ADDED BY HEA 1288-2005, SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 40. (a) Except as provided in subsection (b), a person who **knowingly, intentionally, or recklessly** violates this chapter commits a Class B misdemeanor.

(b) A person who, with intent to defraud, represents the person to be an agent of a postsecondary proprietary educational institution commits a Class C felony.

SECTION 20. IC 20-20-14-3 AS ADDED BY HEA 1288-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. (a) The council shall advise the state superintendent and the governor on education related technology initiatives.

(b) The appointed membership of the council shall reflect its purposes and be experienced in technology generally. An appointed member of the council serves at the pleasure of the appointing authority. The council consists of the following sixteen (16) voting members:

- (1) The state superintendent.
- (2) The special assistant to the state superintendent of public instruction responsible for technology who is appointed under section 5 of this chapter.
- (3) Four (4) individuals who represent private business appointed jointly by the state superintendent and the governor. Each member appointed under this subdivision must be experienced in development and use of information technology. A member appointed under this subdivision may not represent possible providers of technology or related services.
- (4) Three (3) individuals who:

- (A) manage educational environments, including higher education; and
- (B) are experienced in their educational work with information technology;

are appointed jointly by the state superintendent and the governor.

(3) Three (3) individuals who are public school educators familiar with and experienced in the use of technology in educational settings appointed jointly by the state superintendent and the governor, with one (1) representing an urban school corporation, one (1) representing a suburban school corporation, and one (1) representing a rural school corporation.

(6) Four (4) members who are members of the general assembly and who are appointed as follows:

(A) Two (2) members of the house of representatives, appointed by the speaker of the house of representatives with not more than one (1) from a particular political party.

(B) Two (2) members of the senate, appointed by the president pro tempore of the senate with not more than one (1) from a particular political party.

(c) The state superintendent shall designate the chair of the council from the membership of the council.

(d) Nine (9) members of the council constitute a quorum to conduct business. Action of the council is not valid unless approved by at least ~~seven (7)~~ **nine (9)** voting members of the council.

(e) Each member of the council who is not a state employee is not entitled to the minimum salary per diem as provided by IC 4-10-11-2.1(b). The member is, however, entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

(f) Each member of the council who is a state employee but who is not a member of the general assembly is entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

(g) Each member of the council who is a member of the general assembly is entitled to receive the same per diem, mileage, and travel allowances paid to members of the general assembly serving on interim study committees established by the legislative council.

SECTION 21. IC 20-23-5-12, AS ADDED BY HEA 1288-2005, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 12. (a) With respect to whether the disposition of the assets and liabilities of the losing school corporation, allocation of school tax receipts, and the amount to be paid by the acquiring school corporation is equitable, the court, subject to subsection (b), shall be satisfied that the annexing resolution conforms substantially to the following standards:

(1) The acquiring school corporation shall assume a part of all installments of principal and interest on any indebtedness of the losing school corporation (other than current obligations or temporary borrowing) that fall due after the end of the last calendar year in which the losing school corporation is entitled to receive current tax receipts from property tax levies on the property of the annexed territory. The part consists of the following:

(A) All installments relating to any indebtedness incurred in connection with the acquisition or construction of any building located in the annexed territory.

(B) A proportion of all installments relating to any other indebtedness that is the same proportion as the valuation of the real property in the annexed territory bears to the valuation of all the real property in the losing school corporation, as the indebtedness is assessed for general taxation immediately before annexation.

(2) The acquiring school corporation shall make the payments and assume the obligations provided for a school corporation acquiring territory or a building or buildings under IC 21-5-10.

~~(3) Unless the losing school corporation consents to some other allocation, the part of the general fund money collected by the losing school corporation may not be allocated to the acquiring school corporation in a greater amount than would be awarded if the losing school corporation and the acquiring school corporation were respectively the "original school corporation" and the "annexing school corporation" within the meaning of IC 20-23-16, using the method provided in IC 20-23-16 for allocating the special school and tuition fund money.~~

(b) Standards under subsection (a) may not be applicable to the extent the losing school corporation and acquiring school corporation otherwise agree in a situation where all or a majority of the students in the annexed territory have been transferred from the losing school

corporation to the acquiring school corporation for the five (5) school years immediately preceding the transfer. The agreement between school corporations may not prejudice the rights of bondholders or lessors whose rights against the losing school corporation and acquiring school corporation shall, upon enforcement, be allocated between the losing school corporation and acquiring school corporation in accordance with subsection (a)(1) and (a)(2).

SECTION 22. IC 20-23-6-12, AS ADDED BY HEA 1288-2005, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 12. (a) This section provides an alternative method for a school corporation to be reorganized as a community school corporation.

(b) The following may petition directly to the state board to be reorganized as a community school corporation:

(1) A consolidated school corporation organized under section 3 of this chapter.

~~(2) A county school corporation organized under IC 20-23-16-15.~~

~~(3) (2) A metropolitan school district organized under IC 20-23-7-2 or IC 20-23-7-12.~~

(c) The following apply to a school corporation that petitions directly to the state board under subsection (b):

(1) The school corporation is not required to do the following:

(A) Seek approval of a county committee established by IC 20-23-4-11.

(B) Pursue a joint meeting of a county committee and the state board under IC 20-23-4-18.

(2) The state board may waive the attainment of any standard required for reorganization as a community school corporation under this chapter.

SECTION 23. IC 20-23-7-13, AS ADDED BY HEA 1288-2005, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 13. In the resolution creating a county school corporation or metropolitan school district or in the petitions requesting the creation of or requesting a referendum on the question of creating a corporation or district under ~~IC 20-23-16-15~~ or section 2 or 12 of this chapter, the resolutions or petitions may specify when a school corporation or school district shall be created and the corporation or district shall then be created at the time provided in the resolutions or petitions.

SECTION 24. IC 20-23-9-6, AS ADDED BY HEA 1288-2005, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6. (a) If the department of local government finance submits a petition to the school property tax control board under section 5 of this chapter, the school property tax control board shall hold a factfinding hearing.

(b) At a hearing described in subsection (a), the school property tax control board shall determine the following:

(1) Whether the township school has made all payments required by any statute, including the following:

(A) P.L.32-1999.

(B) IC 20-23-5-12. ~~and IC 20-23-16-37.~~

(C) The resolution or plan of annexation of the township school, including:

(i) any amendment to the resolution or plan;

(ii) any supporting or related documents; and

(iii) any agreement between the township school and an annexing corporation relating to the winding up of affairs of the township school.

(2) The amount, if any, by which the township school is in arrears on any payment described in subdivision (1).

(3) Whether the township school has filed with the department of local government finance all reports concerning the affairs of the township school, including all transfer tuition reports required for the two (2) school years immediately preceding the date on which the township school was annexed.

(c) In determining the amount of arrears under subsection (b)(2), the school property tax control board shall consider all amounts due to an annexing corporation, including the following:

(1) Any transfer tuition payments due to the annexing corporation.

(2) All levies, excise tax distributions, and state distributions received by the township school and due to the annexing

corporation, including levies and distributions received by the township school after the date on which the township school was annexed.

(3) All excessive levies that the township school agreed to impose and pay to an annexing corporation but failed to impose.

(d) If, in a hearing under this section, a school property tax control board determines that a township school has:

(1) under subsection (b)(1), failed to make a required payment; or

(2) under subsection (b)(3), failed to file a required report;

the department may act under section 7 of this chapter.

SECTION 25. IC 20-23-16-2, AS ADDED BY HEA 1288-2005, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) Reorganization plans approved before March 15, 1963, by the state board are void on March 15, 1963, except with respect to any community school corporation where:

(1) any plan has received a majority affirmative vote at an election;

(2) the plan has been certified by the clerk of the circuit court as being petitioned in by fifty-five percent (55%) or more of the registered voters for any such reorganized school corporation and notice has been published by the county committee under sections 1 and 6 of this chapter and IC 20-23-4-11 through IC 20-23-4-17, IC 20-23-4-20 through IC 20-23-4-23, IC 20-23-4-42, and IC 20-23-4-43; or

(3) the plan provides for a school corporation meeting the qualifications for formation of a community school corporation under IC 20-23-4-16.

(b) The county committee and other government officials shall, with respect to any such voided reorganization plan, take all actions necessary for the preparation of a comprehensive plan as if a prior plan had not been submitted, and within the time prescribed by ~~IC 20-23-4-5~~ IC 20-23-4-11 through ~~IC 20-23-4-10~~ IC 20-23-4-17 and IC 20-23-16-1.

SECTION 26. IC 20-23-16-3, AS ADDED BY HEA 1288-2005, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. With respect to a proposed community school corporation formed out of two (2) or more school corporations operating a joint high school that has an enrollment of at least six hundred (600) in grades 9 through 12 at the time of the adoption of a preliminary plan adopted under ~~IC 20-23-4-5~~ IC 20-23-4-11 through ~~IC 20-23-4-10~~ IC 20-23-4-17, IC 20-23-16-1, and IC 20-23-16-2, the preliminary plan or final plan adopted under ~~IC 20-23-4-5~~ IC 20-23-4-11 through ~~IC 20-23-4-10~~ IC 20-23-4-17, IC 20-23-16-1, and IC 20-23-16-2 may provide for a board of nine (9) members.

SECTION 27. IC 20-25-5-15, AS ADDED BY HEA 1288-2005, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 15. With respect to whether the disposition of the assets and liabilities of the losing school corporation is equitable, the allocation of school tax receipts is equitable, and the amount to be paid by the acquiring school corporation is equitable, a court must be satisfied that the annexing resolution conforms substantially to the following standards:

(1) Except for current obligations or temporary borrowing, the acquiring school corporation shall assume a part of all installments of principal and interest on the indebtedness of the losing school corporation that is due after the end of the last calendar year in which the losing school corporation is entitled to receive current tax receipts from property tax levies on the property in the annexed territory. The part assumed by the acquiring school corporation consists of the following:

(A) All installments relating to any indebtedness incurred in connection with the acquisition or construction of a building located in the annexed territory.

(B) A proportion of all installments relating to any other indebtedness that is in the same proportion as the valuation of the real property in the annexed territory bears to the valuation of all the real property in the losing school corporation. Valuation under this clause is based upon the assessment for general taxation immediately before annexation.

(2) The acquiring school corporation shall make the payments and assume the obligations provided for a school corporation acquiring:

(A) territory;

(B) a building or buildings; or

(C) both territory and a building or buildings;

under IC 21-5-10.

~~(3) Unless the losing school corporation consents to another allocation, the part of the special school and tuition fund money collected by the losing school corporation shall not be allocated in a greater amount to the acquiring school corporation than would be awarded if the:~~

~~(A) two (2) corporations were respectively the original school corporation and the annexing school corporation under IC 20-23-16; and~~

~~(B) amount to be paid to the losing corporation by the acquiring school corporation based on the acquisition by the acquiring school corporation of a building in the annexed territory may not be less than would be awarded if the two (2) school corporations were respectively the acquiring school corporation and original school corporation under IC 20-23-16;~~

~~(4) (3)~~ If the annexed territory includes an entire losing school corporation, the acquiring school corporation shall:

(A) acquire all the property and assets of the losing school corporation without making any payments for the losing school corporation; and

(B) assume all of the liabilities and obligations of the losing school corporation.

SECTION 28. IC 20-25-10-3, AS ADDED BY HEA 1288-2005, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. The board shall:

(1) modify, develop, and publish the plan required under this chapter; and

(2) implement the modified plan;

in compliance with the timelines of IC 20-31-1, ~~IC 20-31-2~~, IC 20-31-5, IC 20-31-6, IC 20-31-7, IC 20-31-8, IC 20-31-9, and IC 20-31-10.

SECTION 29. IC 20-25-10-5, AS ADDED BY HEA 1288-2005, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. (a) The board shall annually assess and evaluate educational programs offered by the school city to determine:

(1) the relationship of the programs to improved student achievement; and

(2) the educational value of the programs in relation to cost.

(b) The board may obtain information from:

(1) educators in the schools offering a program;

(2) students participating in a program; and

(3) the parents of students participating in a program;

in preparing an assessment and evaluation under this section. The assessment must include the performance of the school's students in achieving student performance improvement levels under IC 20-31-1, ~~IC 20-31-2~~, IC 20-31-5, IC 20-31-6, IC 20-31-7, IC 20-31-8, IC 20-31-9, IC 20-31-10, and IC 20-25-11.

SECTION 30. IC 20-25-11-1, AS ADDED BY HEA 1288-2005, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. The board shall establish annual student performance improvement levels for each school that are not less rigorous than the student performance improvement levels under IC 20-31-1, ~~IC 20-31-2~~, IC 20-31-5, IC 20-31-6, IC 20-31-7, IC 20-31-8, IC 20-31-9, and IC 20-31-10, including the following:

(1) For students:

(A) improvement in results on assessment tests and assessment programs;

(B) improvement in attendance rates; and

(C) improvement in progress toward graduation.

(2) For teachers:

(A) improvement in student results on assessment tests and assessment programs;

(B) improvement in the number and percentage of students achieving;

(i) state achievement standards; and

- (ii) if applicable, performance levels set by the board; on assessment tests;
 - (C) improvement in student progress toward graduation;
 - (D) improvement in student attendance rates for the school year;
 - (E) improvement in individual teacher attendance rates;
 - (F) improvement in:
 - (i) communication with parents; and
 - (ii) parental involvement in classroom and extracurricular activities; and
 - (G) other objectives developed by the board.
- (3) For the school and school administrators:
- (A) improvement in student results on assessment tests, totaled by class and grade;
 - (B) improvement in the number and percentage of students achieving:
 - (i) state achievement standards; and
 - (ii) if applicable, performance levels set by the board; on assessment tests, totaled by class and grade;
 - (C) improvement in:
 - (i) student graduation rates; and
 - (ii) progress toward graduation;
 - (D) improvement in student attendance rates;
 - (E) management of:
 - (i) general fund expenditures; and
 - (ii) total expenditures; per student;
 - (F) improvement in teacher attendance rates; and
 - (G) other objectives developed by the board.

SECTION 31. IC 20-25-13-7, AS ADDED BY HEA 1288-2005, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7. IC 20-28-6-4 and IC 20-28-6-5 apply to certificated employees in the school city. A teacher's students' performance improvement levels under the assessment tests and programs of IC 20-31-1, ~~IC 20-31-2~~, IC 20-31-5, IC 20-31-6, IC 20-31-7, IC 20-31-8, IC 20-31-9, and IC 20-31-10 may be used as a factor, but not the only factor, to evaluate the performance of a teacher in the school city.

SECTION 32. IC 20-26-7-33, AS ADDED BY HEA 1288-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 33. (a) The hearing described in section ~~32~~ **31** of this chapter may be adjourned from day to day.

(b) When the hearing has concluded, the board of county commissioners and county council, acting jointly, shall determine from:

- (1) the evidence submitted;
- (2) an inspection of the building; or
- (3) both the evidence and an inspection;

if the building should be condemned.

(c) If the board of county commissioners and county council, acting jointly, determine that the building should be condemned, the board and council shall fix a date when the order of the board and council becomes effective. An appeal from the finding and determination of the board of county commissioners may be made to the circuit or superior court of the county in the same manner as appeals are taken from the board of county commissioners.

SECTION 33. IC 20-26-11-8, AS ADDED BY HEA 1288-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8. (a) A student who is placed in a state licensed private or public health care facility, child care facility, or foster family home:

- (1) by or with the consent of the division of family and children;
- (2) by a court order; or
- (3) by a child placing agency licensed by the division of family and children;

may attend school in the school corporation in which the home or facility is located. If the school corporation in which the home or facility is located is not the school corporation in which the student has legal settlement, the school corporation in which the student has legal settlement shall pay the transfer tuition of the student.

(b) A student who is placed in a state licensed private or public health care or child care facility by a parent may attend school in the school corporation in which the facility is located if:

- (1) the placement is necessary for the student's physical or emotional health and well-being and, if the placement is in a health care facility, is recommended by a physician; and
- (2) the placement is projected to be for not less than fourteen (14) consecutive calendar days or a total of twenty (20) calendar days.

The school corporation in which the student has legal settlement shall pay the transfer tuition of the student. The parent of the student shall notify the school corporation in which the facility is located and the school corporation of the student's legal settlement, if identifiable, of the placement. Not later than thirty (30) days after this notice, the school corporation of legal settlement shall either pay the transfer tuition of the transferred student or appeal the payment by notice to the department. The acceptance or notice of appeal by the school corporation must be given by certified mail to the parent or guardian of the student and any affected school corporation. In the case of a student who is not identified as disabled under IC 20-35, the state board shall make a determination on transfer tuition according to the procedures in section 15 of this chapter. In the case of a student who has been identified as disabled under IC 20-35, the determination on transfer tuition shall be made under this subsection and the procedures adopted by the state board under ~~IC 20-35-2-1(c)(5)~~. **IC 20-35-2-1(b)(5).**

(c) A student who is placed in:

- (1) an institution operated by the division of disability, aging, and rehabilitative services or the division of mental health and addiction; or
- (2) an institution, a public or private facility, a home, a group home, or an alternative family setting by the division of disability, aging, and rehabilitative services or the division of mental health and addiction;

may attend school in the school corporation in which the institution is located. The state shall pay the transfer tuition of the student, unless another entity is required to pay the transfer tuition as a result of a placement described in subsection (a) or (b) or another state is obligated to pay the transfer tuition.

SECTION 34. IC 20-26-12-15 AS ADDED BY HEA 1288-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 15. (a) A governing body shall requisition the necessary textbooks from the contracting publishers approved by the state board. The contracting publisher shall ship the textbooks to the governing body not more than ninety (90) days after the requisition. On receipt of the textbooks, the governing body's school corporation has custody of the textbooks. The governing body shall provide a receipt to the contracting publisher and reimburse the contracting publisher the amount owed by the school corporation from the school corporation's general fund.

(b) A governing body shall purchase textbooks:

- (1) from a resident student who presents the textbooks for sale on or before the beginning of the school term in which the books are to be used;
- (2) with money from the school corporation's general fund; and
- (3) at a price based on the original price to the school corporation minus a reasonable reduction for damage from usage.

~~(c) The proper school authorities shall purchase any textbooks that are to be used during any school year from any dealer:~~

- ~~(1) whose business is located in the county in which the school corporation is located; and~~
- ~~(2) who was authorized to sell textbooks before March 1, 1935.~~

~~The purchase price may not exceed the price paid by the dealer to the contracting publisher.~~

SECTION 35. IC 20-27-3-8, AS ADDED BY HEA 1288-2005, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8. A person who **knowingly, intentionally, or recklessly** violates this chapter commits a Class C misdemeanor.

SECTION 36. IC 20-27-5-33, AS ADDED BY HEA 1288-2005, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 33. A person who **knowingly, intentionally, or recklessly** violates this chapter commits a Class C misdemeanor.

SECTION 37. IC 20-27-6-8, AS ADDED BY HEA 1288-2005,

SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8. A person who **knowingly, intentionally, or recklessly** violates this chapter commits a Class C misdemeanor.

SECTION 38. IC 20-27-7-19, AS ADDED BY HEA 1288-2005, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 19. A person who **knowingly, intentionally, or recklessly** violates this chapter commits a Class C misdemeanor.

SECTION 39. IC 20-27-8-16, AS ADDED BY HEA 1288-2005, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 16. A person who **knowingly, intentionally, or recklessly** violates this chapter commits a Class C misdemeanor.

SECTION 40. IC 20-27-9-17, AS ADDED BY HEA 1288-2005, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 17. Except as provided in this article, a person who **knowingly, intentionally, or recklessly** violates this chapter commits a Class C misdemeanor.

SECTION 41. IC 20-27-10-4, AS ADDED BY HEA 1288-2005, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. A person who **knowingly, intentionally, or recklessly** violates this chapter commits a Class C misdemeanor.

SECTION 42. IC 20-28-1-10, AS ADDED BY HEA 1288-2005, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 10. "Managing body" refers to:

- (1) the governing body;
- (2) the board of managers (as defined in ~~IC 20-35-5-1(a)(3))~~; **IC 20-35-5-1(3))**; or
- (3) any other governing entity;

that has the responsibility for administering the school corporation's special education program or a special education cooperative organized under IC 20-35-5, IC 20-26-10, or IC 36-1-7.

SECTION 43. IC 20-33-2-32, AS ADDED BY HEA 1288-2005, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 32. (a) In a county that has not been completely reorganized under IC 20-23-4, the governing body of each school corporation that constitutes a separate attendance district under section ~~3~~ **30** of this chapter shall appoint an attendance officer. One (1) additional attendance officer may be appointed for every seven thousand five hundred (7,500) students in average daily attendance in the corporation.

(b) Whenever the governing body of a school corporation makes an appointment under this section, it shall appoint an individual nominated by the superintendent. However, the governing body may decline to appoint any nominee and require another nomination. The salary of each attendance officer appointed under this section shall be fixed by the governing body. In addition to salary, the officer is entitled to receive reimbursement for actual expenses necessary to properly perform the officer's duties. The salary and expenses of an attendance officer appointed under this section shall be paid by the treasurer of the county in which the officer serves, on a warrant signed by the county auditor. The county council shall appropriate, and the board of county commissioners shall allow, the funds necessary to make these payments. However, a warrant shall not be issued to an attendance officer until the attendance officer has filed an itemized statement with the county auditor. This statement shall show the time employed and expenses incurred. The superintendent shall approve the statement and certify that it is correct.

SECTION 44. IC 20-33-8-33, AS ADDED BY HEA 1288-2005, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 33. Before February 1 and before October 1 of each year, except when a hearing has been requested to determine financial hardship under IC 9-24-2-1(a)(4), ~~the governing body of the school corporation~~ **a principal** shall submit to the bureau of motor vehicles the pertinent information concerning an individual's ineligibility under IC 9-24-2-1 to be issued a driver's license or learner's permit, or concerning the invalidation of a license or permit under IC 9-24-2-4.

SECTION 45. IC 20-34-4-6, AS ADDED BY HEA 1288-2005, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6. (a) Not later than sixty (60)

days after the enrollment of students for the first time and when additional immunizations are required by statute or rule, each school shall file a written report with the state department of health and the local health department having jurisdiction. The report must include the following:

(1) A statement of the number of students who have demonstrated immunity against diphtheria, pertussis (whooping cough), tetanus, measles, rubella, poliomyelitis, mumps, and hepatitis B.

(2) A statement of the number of students who have not demonstrated immunity against the illnesses listed in subdivision (1).

(3) A statement of the number of students who have been found positive for sickle cell anemia or lead poisoning.

(b) The state department of health and the local health department shall, for good cause shown that there exists a substantial threat to the health and safety of a student or the school community, be able to validate immunization reports by onsite reviews or examinations of nonidentifying immunization record data. This section does not independently authorize the state department of health, a local department of health, or an agent of the state department of health or local department of health to have access to identifying medical or academic record data of individual students attending nonaccredited nonpublic schools.

(c) ~~A school shall file a report~~ **shall be filed** for each student who enrolls ~~subsequent to~~ **after** the filing of the report for students who enrolled at the beginning of the school year. The state department of health has exclusive power to adopt rules for the administration of this section.

SECTION 46. IC 20-35-4-10, AS ADDED BY HEA 1288-2005, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 10. (a) For purposes of this section, "comprehensive plan" means a plan for educating the following:

(1) All children with disabilities that a school corporation is required to educate under sections 8 through 9 of this chapter.

(2) The additional children with disabilities that the school corporation elects to educate.

(b) For purposes of this section, "school corporation" includes the following:

(1) The Indiana School for the Blind board.

(2) The Indiana School for the Deaf board.

(c) The state board shall adopt rules under IC 4-22-2 detailing the contents of the comprehensive plan. Each school corporation shall complete and submit to the state superintendent a comprehensive plan. School corporations operating cooperative or joint special education services may submit a single comprehensive plan. In addition, if a school corporation enters into a contractual agreement as permitted under section 9 of this chapter, the school corporation shall collaborate with the service provider in formulating the comprehensive plan.

(d) Notwithstanding the age limits set out in ~~IC 20-35-1-1~~, **IC 20-35-1-2**, the state board may:

(1) conduct a program for the early identification of children with disabilities, between the ages of birth and less than twenty-two (22) years of age not served by the public schools or through a contractual agreement under section 9 of this chapter; and

(2) use agencies that serve children with disabilities other than the public schools.

(e) The state board shall adopt rules under IC 4-22-2 requiring the:

- (1) department of correction;
- (2) state department of health;
- (3) division of disability, aging, and rehabilitative services;
- (4) Indiana School for the Blind board;
- (5) Indiana School for the Deaf board; and
- (6) division of mental health and addiction;

to submit to the state superintendent a plan for the provision of special education for children in programs administered by each respective agency who are entitled to a special education.

(f) The state superintendent shall furnish professional consultant services to school corporations and the entities listed in subsection (e) to aid them in fulfilling the requirements of this section.

SECTION 47. IC 20-35-5-15, AS ADDED BY HEA 1288-2005, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 15. Meetings of the board of managers shall be held in accordance with ~~IC 20-26-4-2~~ **IC 20-26-4-3**.

SECTION 48. IC 20-35-8-2, AS ADDED BY HEA 1288-2005, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) The state board shall adopt rules under IC 4-22-2 to establish limits on the amount of transportation that may be provided in the student's individualized education program. Unless otherwise specially shown to be essential by the child's individualized education program, in case of residency in a public or private facility, these rules must limit the transportation required by the student's individualized education program to the following:

- (1) The student's first entrance and final departure each school year.
- (2) Round trip transportation each school holiday period.
- (3) Two (2) additional round trips each school year.

(b) If a student is a transfer student receiving special education in a public school, the state or school corporation responsible for the payment of transfer tuition under ~~IC 20-33-6-1~~ **IC 20-26-11-1** through ~~IC 20-33-6-4~~ **IC 20-26-11-4** shall pay the cost of transportation required by the student's individualized education program. However, if a transfer student was counted as an eligible student for purposes of a distribution in a calendar year under IC 21-3-3.1, the transportation costs that the transferee school may charge for a school year ending in the calendar year shall be reduced by the sum of the following:

- (1) The quotient of:
 - (A) the amount of money that the transferee school is eligible to receive under IC 21-3-3.1-2.1 for the calendar year in which the school year ends; divided by
 - (B) the number of eligible students for the transferee school for the calendar year (as determined under IC 21-3-3.1-2.1).
- (2) The amount of money that the transferee school is eligible to receive under IC 21-3-3.1-4 for the calendar year in which the school year ends for the transportation of the transfer student during the school year.

(c) If a student receives a special education:

- (1) in a facility operated by:
 - (A) the state department of health;
 - (B) the division of disability, aging, and rehabilitative services; or
 - (C) the division of mental health and addiction;
- (2) at the Indiana School for the Blind; or
- (3) at the Indiana School for the Deaf;

the school corporation in which the student has legal settlement shall pay the cost of transportation required by the student's individualized education program. However, if the student's legal settlement cannot be ascertained, the state board shall pay the cost of transportation required by the student's individualized education program.

(d) If a student is placed in a private facility under IC 20-35-6-2 in order to receive a special education because the student's school corporation cannot provide an appropriate special education program, the school corporation in which the student has legal settlement shall pay the cost of transportation required by the student's individualized education program. However, if the student's legal settlement cannot be ascertained, the state board shall pay the cost of transportation required by the student's individualized education program.

SECTION 49. IC 20-37-1-1, AS ADDED BY HEA 1288-2005, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) Two (2) or more school corporations may cooperate to:

- (1) establish; and
- (2) maintain or supervise;

schools or departments for vocational education if the governing bodies of the school corporations agree to cooperate and apportion the cost of the schools or departments among the school corporations.

(b) If the cooperating school corporations agree to:

- (1) establish; and
- (2) maintain or supervise;

the schools or departments under subsection (a), the ~~heads~~ **designated**

representatives of the school corporations ~~or their delegated representatives~~ constitute a board for the management of the schools or departments. The board may adopt a plan of organization, administration, and support for the schools or departments. The plan, if approved by the state board, is a binding contract between the cooperating school corporations.

(c) The governing bodies of the cooperating school corporations may cancel or annul the plan described in subsection (b) by the vote of a majority of the governing bodies and upon the approval of the state board. However, if a school corporation desires to withdraw a course offering from the cooperative agreement after:

- (1) attempting to withdraw the course offering under a withdrawal procedure authorized by the school corporation's cooperative agreement or bylaw; and
 - (2) being denied the authority to withdraw the course offering;
- the school corporation may appeal the denial to the state board. In the appeal, a school corporation must submit a proposal requesting the withdrawal to the state board for approval.

(d) The proposal under subsection (c) must do the following:

- (1) Describe how the school corporation intends to implement the particular vocational education course.
- (2) Include a provision that provides for at least a two (2) year phaseout of the educational program or course offering from the cooperative agreement.

Upon approval of the proposal by the state board, the school corporation may proceed with the school corporation's withdrawal of the course offering from the cooperative agreement and shall proceed under the proposal.

(e) The withdrawal procedure under subsections (c) and (d) may not be construed to permit a school corporation to change any other terms of the plan described in subsection (b) except those terms that require the school corporation to provide the particular course offering sought to be withdrawn.

(f) The board described in subsection (b) may do the following:

- (1) Enter into an agreement to acquire by lease or purchase:
 - (A) sites;
 - (B) buildings; or
 - (C) equipment;

that is suitable for these schools or departments. This authority extends to the acquisition of facilities available under IC 21-5-11.

(2) By resolution adopted by a majority of the board, designate three (3) or more individuals from the board's membership to constitute an executive committee.

(g) To the extent provided in a resolution adopted under subsection (f)(2), an executive committee shall do the following:

- (1) Exercise the authority of the full board in the management of the schools or departments.
- (2) Submit a written summary of its actions to the full board at least semiannually."

Page 11, between lines 34 and 35, begin a new paragraph and insert:

"SECTION 51. IC 36-1-14-1, AS AMENDED BY HEA 1288-2005, SECTION 236, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) This section does not apply to donations of proceeds from riverboat gaming to a public school endowment corporation under ~~IC 20-26-5-19~~ **IC 20-26-5-21**.

(b) As used in this section, "riverboat gaming revenue" means tax revenue received by a unit under IC 4-33-12-6, IC 4-33-13, or an agreement to share a city's or county's part of the tax revenue.

(c) Notwithstanding IC 8-1.5-2-6(d), a unit may donate the proceeds from the sale of a utility or facility or from a grant, a gift, a donation, an endowment, a bequest, a trust, or riverboat gaming revenue to a foundation under the following conditions:

- (1) The foundation is a charitable nonprofit community foundation.
- (2) The foundation retains all rights to the donation, including investment powers.
- (3) The foundation agrees to do the following:
 - (A) Hold the donation as a permanent endowment.
 - (B) Distribute the income from the donation only to the unit as directed by resolution of the fiscal body of the unit.

(C) Return the donation to the general fund of the unit if the foundation:

- (i) loses the foundation's status as a public charitable organization;
- (ii) is liquidated; or
- (iii) violates any condition of the endowment set by the fiscal body of the unit."

Page 11, line 42, delete "IC 20-4-16-6," and insert "IC 20-4-16-6; IC 20-23-16-2; IC 20-23-16-6; IC 20-23-16-7; IC 20-23-16-8; IC 20-23-16-9; IC 20-23-16-10; IC 20-23-16-12; IC 20-23-16-13; IC 20-23-16-14; IC 20-23-16-15; IC 20-23-16-16; IC 20-23-16-17; IC 20-23-16-18; IC 20-23-16-19; IC 20-23-16-20; IC 20-23-16-21; IC 20-23-16-22; IC 20-23-16-23; IC 20-23-16-24; IC 20-23-16-28; IC 20-23-16-29; IC 20-23-16-30; IC 20-23-16-31; IC 20-23-16-32; IC 20-23-16-33; IC 20-23-16-34; IC 20-23-16-35; IC 20-23-16-36; IC 20-23-16-37; IC 20-23-16-38; IC 20-23-16-39; IC 20-23-16-40."

Renumber all SECTIONS consecutively.

(Reference is to SB 397 as printed February 25, 2005.)

and when so amended that said bill do pass.

Committee Vote: yeas 7, nays 0.

BEHNING, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred Engrossed Senate Bill 433, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 13, after "members" insert "**selected by the commission**".

Page 2, line 19, after "schools," insert "**including the Indiana School for the Blind and Visually Impaired and the Indiana School for the Deaf**".

Page 2, line 34, delete ",."

Page 2, between lines 38 and 39, begin a new paragraph and insert: "SECTION 1. IC 4-10-15-2, AS AMENDED BY HEA 1288-2005, SECTION 57, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. The warrants may be drawn for the necessary and current expenses of the following:

- (1) All psychiatric hospitals (as defined in IC 12-7-2-184).
- (2) The Indiana School for the Deaf, established by IC 20-22-2-1.
- (3) The Indiana School for the Blind **and Visually Impaired**, established by IC 20-21-2-1.
- (4) The Indiana Veterans' Home.
- (5) The Plainfield Juvenile Correctional Facility.

SECTION 2. IC 4-15-2-3.8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3.8. "State service" means public service by:

- (1) employees and officers, including the incumbent directors, of the county offices of family and children; and
- (2) employees and officers, except members of boards and commissions or individuals hired for or appointed to, after June 30, 1982, positions as appointing authorities, deputies, assistants reporting to appointing authorities, or supervisors of major units within state agencies, irrespective of the title carried by those positions, of the division of disability, aging, and rehabilitative services, Fort Wayne State Developmental Center, Muscatatuck State Developmental Center, division of mental health and addiction, Larue D. Carter Memorial Hospital, Evansville State Psychiatric Treatment Center for Children, ~~Central State Hospital~~, Evansville State Hospital, Logansport State Hospital, Madison State Hospital, Richmond State Hospital, state department of health, Indiana School for the Blind **and Visually Impaired**, Indiana School for the Deaf, Indiana Veterans' Home, Indiana Soldiers' and Sailors' Children's Home, Silvercrest Children's Development Center, department of correction, Westville Correctional Facility, Plainfield Juvenile Correctional Facility, Putnamville Correctional Facility, Indianapolis Juvenile Correctional Facility, Indiana State Prison, Indiana Women's Prison, Pendleton Correctional Facility, Reception and Diagnostic

Center, Rockville Correctional Facility, Youth Rehabilitation Facility, Plainfield Correctional Facility, department of fire and building services, state emergency management agency (excluding a county emergency management organization and any other local emergency management organization created under IC 10-14-3), civil rights commission, criminal justice planning agency, department of workforce development, Indiana historical bureau, Indiana state library, division of family and children, Indiana state board of animal health, Federal Surplus Property Warehouse, Indiana education employment relations board, department of labor, Indiana protection and advocacy services commission, commission on public records, Indiana horse racing commission, and state personnel department.

SECTION 3. IC 5-22-4-8, AS AMENDED BY HEA 1288-2005, SECTION 83, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8. (a) As used in this section, "board" refers to either of the following:

(1) With respect to the Indiana School for the Blind **and Visually Impaired**, the board established by IC 20-21-3-1.

(2) With respect to the Indiana School for the Deaf, the board established by IC 20-22-3-1.

(b) As used in this section, "school" refers to either of the following:

(1) The Indiana School for the Blind **and Visually Impaired** established by IC 20-21-2-1.

(2) The Indiana School for the Deaf established by IC 20-22-2-1.

(c) As used in this section, "superintendent" refers to the ~~superintendent~~ **chief executive officer** of the school.

(d) Except as provided in subsection (f), the school is the purchasing agency for the school.

(e) Except as provided in subsection (f), the superintendent is the purchasing agent for the school for purchases with a value of not more than twenty-five thousand dollars (\$25,000).

(f) ~~Not later than October 1, 1999,~~ The Indiana department of administration and the board shall develop and implement a written policy for purchases by the school with a value of more than twenty-five thousand dollars (\$25,000).

SECTION 4. IC 10-13-3-38.5, AS AMENDED BY HEA 1288-2005, SECTION 119, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 38.5. (a) Under federal P.L.92-544 (86 Stat. 1115), the department may use an individual's fingerprints submitted by the individual for the following purposes:

(1) Determining the individual's suitability for employment with the state, or as an employee of a contractor of the state, in a position:

(A) that has a job description that includes contact with, care of, or supervision over a person less than eighteen (18) years of age;

(B) that has a job description that includes contact with, care of, or supervision over an endangered adult (as defined in IC 12-10-3-2), except the individual is not required to meet the standard for harmed or threatened with harm set forth in IC 12-10-3-2(a)(3);

(C) at a state institution managed by the office of the secretary of family and social services or state department of health;

(D) at the Indiana School for the Deaf established by IC 20-22-2-1;

(E) at the Indiana School for the Blind **and Visually Impaired** established by IC 20-21-2-1;

(F) at a juvenile detention facility;

(G) with the gaming commission under IC 4-33-3-16;

(H) with the department of financial institutions under IC 28-11-2-3; or

(I) that has a job description that includes access to or supervision over state financial or personnel data, including state warrants, banking codes, or payroll information pertaining to state employees.

(2) Identification in a request related to an application for a teacher's license submitted to the professional standards board

established by IC 20-28-2-1.

An applicant shall submit the fingerprints in an appropriate format or on forms provided for the employment or license application. The department shall charge each applicant the fee established under section 28 of this chapter and by federal authorities to defray the costs associated with a search for and classification of the applicant's fingerprints. The department may forward fingerprints submitted by an applicant to the Federal Bureau of Investigation or any other agency for processing. The state personnel department or the agency to which the applicant is applying for employment or a license may receive the results of all fingerprint investigations.

(b) An applicant who is an employee of the state may not be charged under subsection (a).

(c) Subsection (a)(1) does not apply to an employee of a contractor of the state if the contract involves the construction or repair of a capital project or other public works project of the state.

SECTION 5. IC 12-12-9-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. The office of the secretary shall, on the first business day of each month, send a copy of a report filed under section 1 of this chapter to the following persons:

(1) For persons less than seventeen (17) years of age, to the following:

(A) The Indiana School for the Blind **and Visually Impaired**.

(B) The division of disability, aging, and rehabilitative services.

(C) The division of special education of the department of education.

(2) For persons at least seventeen (17) years of age, to the following:

(A) The division of disability, aging, and rehabilitative services.

(B) On request, organizations serving the blind **or visually impaired** and the state department of health.

SECTION 6. IC 12-12-9-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. (a) On receiving a report under this chapter, the division of disability, aging, and rehabilitative services shall provide information to the visually impaired individual designated in the report concerning available state and local services.

(b) For a visually impaired individual less than seventeen (17) years of age, the Indiana School for the Blind **and Visually Impaired**:

(1) has the primary duty of initially contacting the visually impaired individual or the individual's family; and

(2) shall notify the division of disability, aging, and rehabilitative services and the department of education of the school's findings.

SECTION 7. IC 12-12-9-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. This chapter does not prohibit a physician or an optometrist from making a referral to a local school corporation, an agency, the Indiana School for the Blind **and Visually Impaired**, or an agency or organization working with the blind or visually impaired.

SECTION 8. IC 20-1-6-2.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2.1. (a) There is created under the Indiana state board of education a division of special education, which shall exercise all the power and duties set out in this chapter. The governor shall appoint, upon the recommendation of the state superintendent of public instruction, a director of special education who serves at the pleasure of the governor. The amount of compensation of the director shall be fixed by the budget agency with the approval of the governor. The duties of the director are as follows:

(1) To have general supervision of all programs, classes, and schools, including those conducted by the public schools, the Indiana School for the Blind **and Visually Impaired**, the Indiana School for the Deaf, the department of correction, the state department of health, the division of disability, aging, and rehabilitative services, and the division of mental health and addiction, for children with disabilities and to coordinate the work of these schools. In addition, relative to programs for

preschool children with disabilities as required under section 14.1 of this chapter, the director has general supervision over programs, classes, and schools, including those conducted by the schools or other state or local service providers as contracted for under section 14.1 of this chapter. However, general supervision does not include the determination of admission standards for the state departments, boards, or agencies authorized to provide programs or classes under this chapter.

(2) To adopt, with the approval of the Indiana state board of education, rules governing the curriculum and instruction, including licensing of personnel in the field of education, as provided by law.

(3) To inspect and rate all schools, programs, or classes for children with disabilities to maintain proper standards of personnel, equipment, and supplies.

(4) With the consent of the state superintendent of public instruction and the budget agency, to appoint and fix salaries for any assistants and other personnel needed to enable the director to accomplish the duties of the director's office.

(5) To adopt, with the approval of the Indiana state board of education, the following:

(A) Rules governing the identification and evaluation of children with disabilities and their placement under an individualized education program in a special education program.

(B) Rules protecting the rights of a child with a disability and the parents of the child with a disability in the identification, evaluation, and placement process.

(6) To make recommendations to the Indiana state board of education concerning standards and case load ranges for related services to assist each teacher in meeting the individual needs of each child according to that child's individualized education program. The recommendations may include the following:

(A) The number of teacher aides recommended for each exceptionality included within the class size ranges.

(B) The role of the teacher aide.

(C) Minimum training recommendations for teacher aides and recommended procedures for the supervision of teacher aides.

(7) To cooperate with the interagency coordinating council established under IC 12-17-15 to ensure that the preschool special education programs required under section 14.1 of this chapter are consistent with the early intervention services program described in IC 12-17-15.

(b) The director or the Indiana state board of education may exercise authority over vocational programs for children with disabilities through a letter of agreement with the department of workforce development.

SECTION 9. IC 20-1-6-15.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 15.1. (a) For the purposes of this section, "comprehensive plan" means a plan for educating all children with disabilities that a school corporation is required to educate under sections 14 through 14.1 of this chapter, and those additional children with disabilities that it elects to educate.

(b) For purposes of this section, "school corporation" includes the following:

(1) The Indiana School for the Blind **and Visually Impaired** board.

(2) The Indiana School for the Deaf board.

(c) The Indiana state board of education shall adopt rules under IC 4-22-2 detailing the contents of the comprehensive plan. Each school corporation shall complete and submit to the state superintendent of public instruction a comprehensive plan. School corporations operating cooperative or joint special education services may submit a single comprehensive plan. In addition, if a school corporation enters into a contractual agreement as permitted under section 14.1 of this chapter, the school corporation shall collaborate with the service provider in formulating the comprehensive plan.

(d) Notwithstanding the age limits set out in section 1 of this chapter, the Indiana state board of education may conduct a program for the early identification of children with disabilities, between the ages of birth and twenty-one (21), not served by the public schools or

through a contractual agreement under section 14.1 of this chapter, and may utilize agencies that serve children with disabilities other than the public schools.

(e) The Indiana state board of education shall adopt rules under IC 4-22-2 requiring the department of correction, the state department of health, the division of disability, aging, and rehabilitative services, the Indiana School for the Blind **and Visually Impaired** board, the Indiana School for the Deaf board, and the division of mental health and addiction to submit to the superintendent of public instruction a plan for the provision of special education for children in programs administered by each respective agency who are entitled to a special education.

(f) The superintendent of public instruction shall furnish professional consultant services to the school corporations, the department of correction, the state department of health, the division of disability, aging, and rehabilitative services, the Indiana School for the Blind **and Visually Impaired** board, the Indiana School for the Deaf board, and the division of mental health and addiction to aid them in fulfilling the requirements of this section.

SECTION 10. IC 20-1-6-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 16. (a) The superintendent shall appoint a state advisory council on the education of children with disabilities whose duties shall consist of providing policy guidance concerning special education and related services for children with disabilities. The superintendent shall appoint at least seventeen (17) members who shall serve for a period of four (4) years. Vacancies shall be filled in like manner for the unexpired balance of the term.

(b) The members must be citizens of Indiana who are representative of the state's population and selected on the basis of their involvement in or concern with the education of children with disabilities. A majority of the members must be individuals with disabilities or the parents of children with disabilities. Members must include the following:

- (1) Parents of children with disabilities.
- (2) Individuals with disabilities.
- (3) Teachers.
- (4) Representatives of higher education institutions that prepare special education and related services personnel.
- (5) State and local education officials.
- (6) Administrators of programs for children with disabilities.
- (7) Representatives of state agencies involved in the financing or delivery of related services to children with disabilities, including the following:
 - (A) The commissioner of the state department of health or the commissioner's designee.
 - (B) The director of the division of disability, aging, and rehabilitative services or the director's designee.
 - (C) The director of the division of mental health and addiction or the director's designee.
 - (D) The director of the division of family and children or the director's designee.
- (8) Representatives of nonpublic schools and freeway schools.
- (9) One (1) or more representatives of vocational, community, or business organizations concerned with the provision of transitional services to children with disabilities.
- (10) Representatives of the department of correction.
- (11) A representative of each of the following:
 - (A) The Indiana School for the Blind **and Visually Impaired** board.
 - (B) The Indiana School for the Deaf board.

(c) The responsibilities of the state advisory council are as follows:

- (1) To advise the superintendent and the board regarding all rules pertaining to children with disabilities.
- (2) To recommend approval or rejection of completed comprehensive plans submitted by school corporations acting individually or on a joint school services program basis with other corporations.
- (3) To advise the department of unmet needs within the state in the education of children with disabilities.
- (4) To provide public comment on rules proposed by the board regarding the education of children with disabilities.
- (5) To advise the department in developing evaluations and

reporting data to the United States Secretary of Education under 20 U.S.C. 1418.

(6) To advise the department in developing corrective action plans to address findings identified in federal monitoring reports under 20 U.S.C. 1400 et seq.

(7) To advise the department in developing and implementing policies related to the coordination of services for children with disabilities.

(d) The council shall organize with a chairperson selected by the superintendent and meet as often as necessary to conduct the council's business at the call of the chairperson upon ten (10) days written notice but not less than four (4) times a year. Members of the council shall be entitled to reasonable amounts for expenses necessarily incurred in the performance of their duties.

(e) The superintendent shall designate the director to act as executive secretary of the council and shall furnish all professional and clerical assistance necessary for the performance of its powers and duties.

(f) The affirmative votes of a majority of the members appointed to the council are required for the council to take action.

SECTION 11. IC 20-1-6-18.2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 18.2. (a) The Indiana state board of education shall adopt rules under IC 4-22-2 which establish limitations on the amount of transportation which may be provided in the student's individualized education program. Unless otherwise specially shown to be essential by the child's individualized education program, in case of residency in a public or private facility, these rules shall limit the transportation required by the student's individualized education program to ~~his~~ **the student's** first entrance and final departure each school year plus round trip transportation each school holiday period and two (2) additional round trips each school year.

(b) Whenever a student is a transfer student receiving special education in a public school, the state or school corporation responsible for the payment of transfer tuition under IC 20-8.1-6.1-1 shall bear the cost of transportation required by the student's individualized education program. However, if a transfer student was counted as an eligible student for purposes of a distribution in a calendar year under IC 21-3-3.1, the transportation costs that the transferee school may charge for a school year ending in the calendar year shall be reduced by the sum of the following:

- (1) The quotient of the amount of money that the transferee school is eligible to receive under IC 21-3-3.1-2.1 for the calendar year in which the school year ends divided by the number of eligible students for the transferee school for the calendar year (as determined under IC 21-3-3.1-2.1).
- (2) The amount of money that the transferee school is eligible to receive under IC 21-3-3.1-4 for the calendar year in which the school year ends for the transportation of the transfer student during the school year.

(c) Whenever a student receives a special education:

- (1) in a facility operated by:
 - (A) the state department of health;
 - (B) the division of disability, aging, and rehabilitative services; or
 - (C) the division of mental health and addiction;
- (2) at the Indiana School for the Blind **and Visually Impaired**;
- or
- (3) at the Indiana School for the Deaf;

the school corporation in which the student has legal settlement shall bear the cost of transportation required by the student's individualized education program. However, if the student's legal settlement cannot be ascertained, the Indiana state board of education shall bear the cost of transportation required by the student's individualized education program.

(d) Whenever a student is placed in a private facility under section 19 of this chapter in order to receive a special education because the student's school corporation cannot provide an appropriate special education program, the school corporation in which the student has legal settlement shall bear the cost of transportation required by the student's individualized education program. However, if the student's legal settlement cannot be ascertained, the Indiana state board of education shall bear the cost of transportation required by the

student's individualized education program.

SECTION 12. IC 20-8.1-4-22 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 22. The employment of children in the Indiana School for the Deaf and the Indiana School for the Blind **and Visually Impaired** is subject to the general restrictions imposed on child labor under this chapter.

SECTION 13. IC 20-9.1-4-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) The state school bus committee is hereby created. The committee shall be composed of the following voting members:

- (1) The state superintendent of public instruction, or the superintendent's authorized representative, who shall serve as chairman of the committee.
- (2) The commissioner of the bureau of motor vehicles, or the commissioner's authorized representative.
- (3) The administrator of the motor carrier services division of the department of state revenue.
- (4) The director of the governor's council on impaired and dangerous driving.
- (5) A school bus driver, appointed by the state superintendent of public instruction upon the recommendation of the Indiana State Association of School Bus Drivers, Inc.
- (6) A superintendent of a school corporation, appointed by the state superintendent of public instruction upon the recommendation of the Indiana Association of Public School Superintendents.
- (7) A member of the governing body of a school corporation, appointed by the state superintendent of public instruction upon the recommendation of the Indiana School Boards Association.
- (8) A representative of the Indiana School for the Blind **and Visually Impaired** or the Indiana School for the Deaf, appointed by the state superintendent of public instruction.
- (9) A member of the School Transportation Association of Indiana, appointed by the state superintendent of public instruction upon the recommendation of the School Transportation Association of Indiana.

(b) The state superintendent of public instruction shall designate a secretary from the department of education who shall keep the official record of the meetings and of official transactions of the committee.

SECTION 14. IC 20-10.1-25.3-2.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2.5. As used in this chapter, "school corporation" includes, except as otherwise provided in this chapter, the Indiana School for the Deaf established by IC 20-16 and the Indiana School for the Blind **and Visually Impaired** established by IC 20-15.

SECTION 15. IC 20-10.1-25.3-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 11. (a) The department shall list all school corporations in Indiana according to assessed valuation for property tax purposes per student in ADM, beginning with the school corporation having the lowest assessed valuation for property tax purposes per student in ADM. For purposes of the list made under this section, the Indiana School for the Deaf and the Indiana School for the Blind **and Visually Impaired** shall be considered to have the lowest assessed valuation for property tax purposes per student in ADM during the six (6) year period beginning on July 1, 2001.

(b) The department must prepare a revised list under subsection (a) before a new series of grants may begin.

(c) The department shall determine those school corporations to be placed in a group to receive a grant in a fiscal year under this chapter as follows:

- (1) Beginning with the school corporation that is first on the list developed under subsection (a), the department shall continue sequentially through the list and place school corporations that qualify for a grant under section 6 of this chapter in a group until the cumulative total ADM of all school corporations in the group depletes the money that is available for grants in the fiscal year.
- (2) Each fiscal year the department shall develop a new group by continuing sequentially through the list beginning with the first qualifying school corporation on the list that was not placed in a group in the prior fiscal year.
- (3) If the final group developed from the list contains

substantially fewer students in ADM than available money, the department shall:

- (A) prepare a revised list of school corporations under subsection (a); and
 - (B) place in the group qualifying school corporations from the top of the revised list.
- (4) The department shall label the groups with sequential numbers beginning with "group one".

SECTION 16. IC 20-10.1-25.3-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 14. (a) This section applies in a year when a school corporation receives a grant under this chapter. The school corporation's capital projects fund budget must include an expenditure for technology that is not less than the school corporation's average annual expenditure for technology from the capital projects fund in the six (6) budget years preceding the year of the grant. If the Indiana School for the Deaf or the Indiana School for the Blind **and Visually Impaired** receives a grant under this chapter, the school's expenditures for technology in the year of the grant must exceed the school's average annual expenditure for technology in the six (6) budget years preceding the year of the grant.

(b) For each year that a school corporation fails to observe subsection (a), the school corporation forfeits a grant under this chapter. The forfeit of the grant shall occur in the first grant year after the school corporation fails to observe subsection (a).

SECTION 17. IC 20-10.1-25.3-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 16. A school corporation that receives a grant under this chapter must deposit the grant in the school technology fund established under IC 21-2-18. If the Indiana School for the Deaf or the Indiana School for the Blind **and Visually Impaired** receives a grant under this chapter, the school must deposit the grant in an account or fund that the school uses exclusively for the funding of technology.

SECTION 18. IC 20-15-1-4.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4.5. "**Executive**" refers to the **chief executive officer of the school appointed under IC 20-15-2-4.**

SECTION 19. IC 20-15-1-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. "School" refers to the Indiana School for the Blind **and Visually Impaired** established by IC 20-15-2-1.

SECTION 20. IC 20-15-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. The Indiana School for the Blind **and Visually Impaired** is established as a state educational resource center that includes the following:

- (1) A residential and day school.
- (2) Outreach services.
- (3) Consultative services to local educational agencies to assist them in meeting the needs of locally enrolled students with visual disabilities.

SECTION 21. IC 20-15-2-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. (a) The board shall appoint the ~~superintendent~~, **chief executive officer**, subject to the approval of the governor. The ~~superintendent executive~~ serves at the pleasure of the board and may be removed for cause.

(b) The ~~superintendent executive~~ appointee must have the following qualifications:

- (1) Be an educator with knowledge, skill, and ability in the appointee's profession.
- (2) Have a minimum of five (5) years of experience in instruction of students with visual **impairment** disabilities.
- (3) Have a master's degree or a higher degree.
- (4) Meet the qualifications for an Indiana teacher's certificate in the area of visual **impairment** disabilities.
- ~~(5) Have a superintendent's license or obtain a superintendent's license within two (2) years of appointment by the board.~~
- (5) Have at least five (5) years experience supervising other people.**

SECTION 22. IC 20-15-2-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. (a) The ~~superintendent~~, **executive**, subject to the approval of the board and IC 20-15-4, has complete responsibility for management of the school.

(b) The ~~superintendent executive~~ has responsibility for the following:

- (1) Direction of the education, care, safety, and well-being of all students in attendance.
- (2) Evaluation and improvement of the school staff, educational programs, and support services.
- (3) Implementation and administration of the policies, mission, and goals of the school as established by the board.
- (4) Serving as the purchasing agent for the school as provided in IC 5-22-4-8.
- (5) Implementation of budgetary matters as recommended by the board and the department of education under IC 20-15-3-10(7).
- (6) Management of the school's outreach program with local public schools.
- (7) Advocating on behalf of the school under guidelines established by the board.
- (8) Executing contracts on behalf of the school.

(c) The ~~superintendent executive~~ is the appointing authority for all employees necessary to properly conduct and operate the school.

SECTION 23. IC 20-15-2-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6. Subject to:

- (1) the determination by case conference committees based on individualized education programs as defined under IC 20-1-6-1; and
- (2) the school's admissions criteria adopted by the board under IC 20-15-3-10(4);

the ~~superintendent executive~~ shall receive as students in the school Indiana residents who are visually disabled school age individuals.

SECTION 24. IC 20-15-2-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7. (a) A placement review committee for the school is established. The committee consists of one (1) representative of each of the following:

- (1) The board.
- (2) The office of the secretary of family and social services.
- (3) The superintendent of public instruction.

(b) The placement review committee shall meet upon petition of an interested party to review the following:

- (1) Applications to the school denied through the process described in section 6 of this chapter.
- (2) All instances of dismissal from the school for reasons other than graduation, voluntary transition to another educational facility, or voluntary departure from the school.

(c) The ~~superintendent executive~~ shall serve as an adviser to the placement review committee. The ~~superintendent executive~~ shall provide the placement review committee with information and justification for all application denials and dismissals under review.

(d) The placement review committee may recommend that application denials or dismissals be reconsidered.

SECTION 25. IC 20-15-2-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 13. The ~~superintendent executive~~ may, subject to the approval of the governor and the policies of the board, receive, for the use of the school, gifts, legacies, devises, and conveyances of real or personal property that are made, given, or granted to or for the school.

SECTION 26. IC 20-15-3-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. The Indiana School for the Blind and Visually Impaired board is established.

SECTION 27. IC 20-15-3-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 10. (a) The board shall do the following:

- (1) Establish policies and accountability measures for the school.
- (2) Implement this article.
- (3) Perform the duties required by IC 5-22-4-8.
- (4) Adopt rules under IC 4-22-2 to establish criteria for the admission of children with visual disabilities, including children with multiple disabilities, at the school.
- (5) Hire the ~~superintendent executive~~, who serves at the pleasure of the board.
- (6) Determine the salary and benefits of the ~~superintendent executive~~.
- (7) Adopt rules under IC 4-22-2 required by this article.

(b) The board shall submit the school's biennial budget to the department of education, which shall review the proposed budget. As part of its review, the department may request and shall receive from the board, in a form as may reasonably be required by the department, all information used by the board to develop the proposed budget. If, upon review, the department determines that any part of the budget request is not supported by the information provided, the department shall meet with the board at the earliest date possible in order to reconcile the budget request. The department shall submit the reconciled budget to the budget agency and the budget committee.

SECTION 28. IC 20-15-4-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. ~~(a) This section applies after March 31, 2000.~~

~~(b) The superintendent executive shall hire directly for those positions as approved by the state personnel department and the board any candidate the superintendent executive considers qualified to fill a position at the school. The state personnel department, in collaboration with the board, shall annually develop a list of job classifications for positions at the school for which the superintendent executive may fill a vacancy by hiring a candidate for the position based on a search for qualified candidates outside the state personnel hiring list.~~

SECTION 29. IC 20-16-1-4.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4.5. "Executive" refers to the chief executive officer of the school appointed under IC 20-16-2-4.

SECTION 30. IC 20-16-2-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. (a) The board shall appoint the ~~superintendent chief executive officer~~ subject to the approval of the governor. The ~~superintendent executive~~ serves at the pleasure of the board and may be removed for cause.

(b) The ~~superintendent executive~~ appointee must have the following qualifications:

- (1) Be an educator with knowledge, skill, and ability in the appointee's profession.
- (2) Have a minimum of five (5) years of experience in instruction of students with hearing **impairment** disabilities.
- (3) Have a master's degree or a higher degree.
- (4) Meet the qualifications for an Indiana teacher's certificate in the area of hearing **impairment** disabilities.
- ~~(5) Have a superintendent's license or obtain a superintendent's license within two (2) years of appointment by the board.~~
- (5) Have at least five (5) years experience supervising other people.**

SECTION 31. IC 20-16-2-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. (a) The ~~superintendent executive~~, subject to the approval of the board and IC 20-16-4, has complete responsibility for management of the school.

(b) The ~~superintendent executive~~ has responsibility for the following:

- (1) Direction of the education, care, safety, and well-being of all students in attendance.
- (2) Evaluation and improvement of the school staff, educational programs, and support services.
- (3) Implementation and administration of the policies, mission, and goals of the school as established by the board.
- (4) Serving as the purchasing agent for the school as provided in IC 5-22-4-8.
- (5) Implementation of budgetary matters as recommended by the board and the department of education under IC 20-16-3-10(7).
- (6) Management of the school's outreach program with local public schools.
- (7) Advocating on behalf of the school under guidelines established by the board.
- (8) Executing contracts on behalf of the school.

(c) The ~~superintendent executive~~ is the appointing authority for all employees necessary to properly conduct and operate the school.

SECTION 32. IC 20-16-2-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6. Subject to:

- (1) the determination by case conference committee based on

individualized education programs, as defined under IC 20-1-6-1; and

(2) the school's admission criteria adopted by the board under IC 20-16-3-10(4);

the ~~superintendent executive~~ shall receive as students in the school Indiana residents who are hearing disabled school age individuals.

SECTION 33. IC 20-16-2-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7. (a) A placement review committee for the school is established. The committee consists of one (1) representative of each of the following:

- (1) The board.
- (2) The office of the secretary of family and social services.
- (3) The superintendent of public instruction.

(b) The placement review committee shall meet upon petition of an interested party to review the following:

- (1) Applications to the school denied through the process described in section 6 of this chapter.
- (2) All instances of dismissal from the school for reasons other than graduation, voluntary transition to another educational facility, or voluntary departure from the school.

(c) The ~~superintendent executive~~ shall serve as an adviser to the placement review committee. The ~~superintendent executive~~ shall provide the placement review committee with information and justification for all application denials and dismissals under review.

(d) The placement review committee may recommend that application denials or dismissals be reconsidered.

SECTION 34. IC 20-16-2-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 13. The ~~superintendent executive~~ may, subject to the approval of the governor and the policies of the board, receive, for the use of the school, gifts, legacies, devises, and conveyances of real and personal property that are made, given, or granted to or for the school.

SECTION 35. IC 20-16-3-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 10. (a) The board shall do the following:

- (1) Establish policies and accountability measures for the school.
- (2) Implement this article.
- (3) Perform the duties required by IC 5-22-4-8.
- (4) Adopt rules under IC 4-22-2 to establish criteria for the admission of children with hearing disabilities, including children with multiple disabilities, at the school.
- (5) Hire the ~~superintendent executive~~, who serves at the pleasure of the board.
- (6) Determine the salary and benefits of the ~~superintendent executive~~.
- (7) Adopt rules under IC 4-22-2 required by this article.

(b) The board shall submit the school's biennial budget to the department of education, which shall review the proposed budget. As part of its review, the department may request and shall receive from the board, in a form as may reasonably be required by the department, all information used by the board to develop the proposed budget. If, upon review, the department determines that any part of the budget request is not supported by the information provided, the department shall meet with the board at the earliest date possible in order to reconcile the budget request. The department shall submit the reconciled budget to the budget agency and the budget committee.

SECTION 36. IC 20-16-4-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. ~~(a) This section applies after March 31, 2000.~~

~~(b) The superintendent executive shall hire directly for those positions as approved by the state personnel department and the board any candidate the superintendent executive considers qualified to fill a position at the school. The state personnel department, in collaboration with the board, shall annually develop a list of job classifications for positions at the school for which the superintendent executive may fill a vacancy by hiring a candidate for the position based on a search for qualified candidates outside the state personnel hiring list.~~

SECTION 37. IC 20-20-13-3, AS ADDED BY HEA 1288-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. As used in sections 13 through 24 of this chapter, "school corporation" includes, except as otherwise

provided in this chapter, **the Indiana School for the Blind and Visually Impaired established by IC 20-21-2-1** and the Indiana School for the Deaf established by IC 20-22-2-1. ~~and the Indiana School for the Blind established by IC 20-21-2-1.~~

SECTION 38. IC 20-20-13-19, AS ADDED BY HEA 1288-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 19. (a) The department shall list all school corporations in Indiana according to assessed valuation for property tax purposes per student in ADM, beginning with the school corporation having the lowest assessed valuation for property tax purposes per student in ADM. For purposes of the list made under this section, **the Indiana School for the Blind and Visually Impaired established by IC 20-21-2-1** and the Indiana School for the Deaf established by IC 20-22-2-1 ~~and the Indiana School for the Blind established by IC 20-21-2-1~~ shall be considered to have the lowest assessed valuation for property tax purposes per student in ADM during the six (6) year period beginning July 1, 2001.

(b) The department must prepare a revised list under subsection (a) before a new series of grants may begin.

(c) The department shall determine those school corporations to be placed in a group to receive a grant in a fiscal year under sections 13 through 24 of this chapter as follows:

(1) Beginning with the school corporation that is first on the list developed under subsection (a), the department shall continue sequentially through the list and place school corporations that qualify for a grant under section 15 of this chapter in a group until the cumulative total ADM of all school corporations in the group depletes the money that is available for grants in the fiscal year.

(2) Each fiscal year the department shall develop a new group by continuing sequentially through the list beginning with the first qualifying school corporation on the list that was not placed in a group in the prior fiscal year.

(3) If the final group developed from the list contains substantially fewer students in ADM than available money, the department shall:

- (A) prepare a revised list of school corporations under subsection (a); and
- (B) place in the group qualifying school corporations from the top of the revised list.

(4) The department shall label the groups with sequential numbers beginning with "group one".

SECTION 39. IC 20-20-13-22, AS ADDED BY HEA 1288-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 22. (a) This section applies in a year when a school corporation receives a grant under sections 13 through 24 of this chapter. The school corporation's capital projects fund budget must include an expenditure for technology that is not less than the school corporation's average annual expenditure for technology from the capital projects fund in the six (6) budget years preceding the year of the grant. **If the Indiana School for the Blind and Visually Impaired established by IC 20-21-2-1** or the Indiana School for the Deaf established by IC 20-22-2-1 ~~or the Indiana School for the Blind established by IC 20-21-2-1~~ receives a grant under sections 13 through 24 of this chapter, the school's expenditures for technology in the year of the grant must exceed the school's average annual expenditure for technology in the six (6) budget years preceding the year of the grant.

(b) For each year that a school corporation fails to observe subsection (a), the school corporation forfeits a grant under sections 13 through 24 of this chapter. The forfeit of the grant must occur in the first grant year after the school corporation fails to observe subsection (a).

SECTION 40. IC 20-20-13-24, AS ADDED BY HEA 1288-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 24. A school corporation that receives a grant under sections 13 through 24 of this chapter shall deposit the grant in the school technology fund established under IC 21-2-18. **If the Indiana School for the Blind and Visually Impaired established by IC 20-21-2-1** or the Indiana School for the Deaf established by IC 20-22-2-1 ~~or the Indiana School for the Blind established by IC 20-21-2-1~~ receives a grant under sections 13 through 24 of this chapter, the school shall deposit the grant in an

account or fund that the school uses exclusively for the funding of technology.

SECTION 41. IC 20-21-1-2, AS ADDED BY HEA 1288-2005, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. "Board" refers to the Indiana School for the Blind **and Visually Impaired** board established by IC 20-21-3-1.

SECTION 42. IC 20-21-1-4.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4.5. "**Executive**" refers to the **chief executive officer of the school appointed under IC 20-21-2-4.**

SECTION 43. IC 20-21-1-5, AS ADDED BY HEA 1288-2005, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. "School" refers to the Indiana School for the Blind **and Visually Impaired** established by IC 20-21-2-1.

SECTION 44. IC 20-21-2-1, AS ADDED BY HEA 1288-2005, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. The Indiana School for the Blind **and Visually Impaired** is established as a state educational resource center that includes the following:

- (1) A residential and day school.
- (2) Outreach services.
- (3) Consultative services to local educational agencies to assist the agencies in meeting the needs of locally enrolled students with visual disabilities.

SECTION 45. IC 20-21-2-4, AS ADDED BY HEA 1288-2005, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. (a) The board shall appoint the **superintendent, chief executive officer**, subject to the approval of the governor. The **superintendent executive** serves at the pleasure of the board and may be removed for cause.

(b) The **superintendent executive** appointee must have the following qualifications:

- (1) Be an educator with knowledge, skill, and ability in the appointee's profession.
- (2) Have at least five (5) years experience in instruction of **visually disabled** students **with visual impairment disabilities**.
- (3) Have a master's degree or a higher degree.
- (4) Meet the qualifications for an Indiana teacher's certificate in the area of visual **impairment** disabilities.
- ~~(5) Have a superintendent's license or obtain a superintendent's license not more than two (2) years after appointment by the board.~~
- (5) Have at least five (5) years experience supervising other individuals.**

SECTION 46. IC 20-21-2-5, AS ADDED BY HEA 1288-2005, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. (a) The **superintendent, executive**, subject to the approval of the board and IC 20-21-4, has complete responsibility for management of the school.

(b) The **superintendent executive** has responsibility for the following:

- (1) Direction of the education, care, safety, and well-being of all students in attendance.
- (2) Evaluation and improvement of the school staff, educational programs, and support services.
- (3) Implementation and administration of the policies, mission, and goals of the school as established by the board.
- (4) Serving as the purchasing agent for the school under IC 5-22-4-8.
- (5) Implementation of budgetary matters as recommended by the board and the department of education under IC 20-21-3-10(b).
- (6) Management of the school's outreach program with local public schools.
- (7) Advocating on behalf of the school under guidelines established by the board.
- (8) Executing contracts on behalf of the school.

(c) The **superintendent executive** is the appointing authority for all employees necessary to properly conduct and operate the school.

SECTION 47. IC 20-21-2-6, AS ADDED BY HEA 1288-2005,

SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6. Subject to:

- (1) the determination by case conference committees based on individualized education programs; and
- (2) the school's admissions criteria adopted by the board under IC 20-21-3-10(a)(4);

the **superintendent executive** shall receive as students in the school Indiana residents who are visually disabled school age individuals.

SECTION 48. IC 20-21-2-7, AS ADDED BY HEA 1288-2005, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7. (a) A placement review committee for the school is established. The placement review committee consists of one (1) representative of each of the following:

- (1) The board.
- (2) The office of the secretary of family and social services.
- (3) The state superintendent.

(b) The placement review committee shall meet upon petition of an interested party to review the following:

- (1) Applications to the school denied through the process described in section 6 of this chapter.
- (2) All instances of dismissal from the school for reasons other than graduation, voluntary transition to another educational facility, or voluntary departure from the school.

(c) The **superintendent executive** shall serve as an adviser to the placement review committee. The **superintendent executive** shall provide the placement review committee with information and justification for all application denials and dismissals under review.

(d) The placement review committee may recommend that application denials or dismissals be reconsidered.

SECTION 49. IC 20-21-2-13, AS ADDED BY HEA 1288-2005, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 13. The **superintendent executive** may, subject to the approval of the governor and the policies of the board, receive, for the use of the school, gifts, legacies, devises, and conveyances of real or personal property that are made, given, or granted to or for the school.

SECTION 50. IC 20-21-3-1, AS ADDED BY HEA 1288-2005, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. The Indiana School for the Blind **and Visually Impaired** board is established.

SECTION 51. IC 20-21-3-10, AS ADDED BY HEA 1288-2005, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 10. (a) The board shall do the following:

- (1) Establish policies and accountability measures for the school.
- (2) Implement this article.
- (3) Perform the duties required by IC 5-22-4-8.
- (4) Adopt rules under IC 4-22-2 to establish criteria for the admission of visually disabled children, including children with multiple disabilities, at the school.
- (5) Hire the **superintendent, executive**, who serves at the pleasure of the board.
- (6) Determine the salary and benefits of the **superintendent executive**.
- (7) Adopt rules under IC 4-22-2 required by this article.

(b) The board shall submit the school's biennial budget to the department, which shall review the proposed budget. As part of its review, the department may request and shall receive from the board, in a form as may reasonably be required by the department, all information used by the board to develop the proposed budget. If, upon review, the department determines that any part of the budget request is not supported by the information provided, the department shall meet with the board at the earliest date possible in order to reconcile the budget request. The department shall submit the reconciled budget to the budget agency and the budget committee.

SECTION 52. IC 20-21-4-2, AS ADDED BY HEA 1288-2005, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. The **superintendent executive** shall hire directly for those positions as approved by the state personnel department and the board any candidate the **superintendent executive** considers qualified to fill a position at the school. The state personnel department, in collaboration with the board, shall annually

develop a list of job classifications for positions at the school for which the **superintendent executive** may fill a vacancy by hiring a candidate for the position based on a search for qualified candidates outside the state personnel hiring list.

SECTION 53. IC 20-22-1-4.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4.5. **"Executive" refers to the chief executive officer of the school appointed under IC 20-22-2-4.**

SECTION 54. IC 20-22-2-4, AS ADDED BY HEA 1288-2005, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. (a) The board shall appoint the **superintendent, chief executive officer**, subject to the approval of the governor. The **superintendent executive** serves at the pleasure of the board and may be removed for cause.

(b) The **superintendent executive** appointee must have the following qualifications:

- (1) Be an educator with knowledge, skill, and ability in the appointee's profession.
- (2) Have at least five (5) years experience in instruction of ~~hearing disabled~~ students **with hearing impairment disabilities**.
- (3) Have a master's degree or a higher degree.
- (4) Meet the qualifications for an Indiana teacher's certificate in the area of hearing **impairment** disabilities.
- ~~(5) Have a superintendent's license or obtain a superintendent's license not more than two (2) years after appointment by the board.~~
- (5) Have at least five (5) years experience supervising other individuals.**

SECTION 55. IC 20-22-2-5, AS ADDED BY HEA 1288-2005, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. (a) The **superintendent, executive**, subject to the approval of the board and IC 20-21-4, has complete responsibility for management of the school.

(b) The **superintendent executive** has responsibility for the following:

- (1) Direction of the education, care, safety, and well-being of all students in attendance.
- (2) Evaluation and improvement of the school staff, educational programs, and support services.
- (3) Implementation and administration of the policies, mission, and goals of the school as established by the board.
- (4) Serving as the purchasing agent for the school under IC 5-22-4-8.
- (5) Implementation of budgetary matters as recommended by the board and the department of education under IC 20-22-3-10(b).
- (6) Management of the school's outreach program with local public schools.
- (7) Advocating on behalf of the school under guidelines established by the board.
- (8) Executing contracts on behalf of the school.

(c) The **superintendent executive** is the appointing authority for all employees necessary to properly conduct and operate the school.

SECTION 56. IC 20-22-2-6, AS ADDED BY HEA 1288-2005, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6. Subject to:

- (1) the determination by case conference committees based on individualized education programs; and
- (2) the school's admissions criteria adopted by the board under IC 20-22-3-10(a)(4);

the **superintendent executive** shall receive as students in the school Indiana residents who are hearing disabled school age individuals.

SECTION 57. IC 20-22-2-7, AS ADDED BY HEA 1288-2005, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7. (a) A placement review committee for the school is established. The placement review committee consists of one (1) representative of each of the following:

- (1) The board.
- (2) The office of the secretary of family and social services.
- (3) The state superintendent.

(b) The placement review committee shall meet upon petition of an

interested party to review the following:

- (1) Applications to the school denied through the process described in section 6 of this chapter.
- (2) All instances of dismissal from the school for reasons other than graduation, voluntary transition to another educational facility, or voluntary departure from the school.

(c) The **superintendent executive** shall serve as an adviser to the placement review committee. The **superintendent executive** shall provide the placement review committee with information and justification for all application denials and dismissals under review.

(d) The placement review committee may recommend that application denials or dismissals be reconsidered.

SECTION 58. IC 20-22-2-13, AS ADDED BY HEA 1288-2005, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 13. The **superintendent executive** may, subject to the approval of the governor and the policies of the board, receive, for the use of the school, gifts, legacies, devises, and conveyances of real or personal property that are made, given, or granted to or for the school.

SECTION 59. IC 20-22-3-10, AS ADDED BY HEA 1288-2005, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 10. (a) The board shall do the following:

- (1) Establish policies and accountability measures for the school.
- (2) Implement this article.
- (3) Perform the duties required by IC 5-22-4-8.
- (4) Adopt rules under IC 4-22-2 to establish criteria for the admission of hearing disabled children, including children with multiple disabilities, at the school.
- (5) Hire the **superintendent, executive**, who serves at the pleasure of the board.
- (6) Determine the salary and benefits of the **superintendent executive**.
- (7) Adopt rules under IC 4-22-2 required by this article.

(b) The board shall submit the school's biennial budget to the department, which shall review the proposed budget. As part of its review, the department may request and shall receive from the board, in a form as may reasonably be required by the department, all information used by the board to develop the proposed budget. If, upon review, the department determines that any part of the budget request is not supported by the information provided, the department shall meet with the board at the earliest date possible in order to reconcile the budget request. The department shall submit the reconciled budget to the budget agency and the budget committee.

SECTION 60. IC 20-22-4-2, AS ADDED BY HEA 1288-2005, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. The **superintendent executive** shall hire directly for those positions as approved by the state personnel department and the board any candidate the **superintendent executive** considers qualified to fill a position at the school. The state personnel department, in collaboration with the board, shall annually develop a list of job classifications for positions at the school for which the **superintendent executive** may fill a vacancy by hiring a candidate for the position based on a search for qualified candidates outside the state personnel hiring list.

SECTION 61. IC 20-27-3-1, AS ADDED BY HEA 1288-2005, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) The state school bus committee is established. The committee has the following voting members:

- (1) The state superintendent or the state superintendent's authorized representative, who serves as chairperson of the committee.
- (2) The commissioner of the bureau of motor vehicles, or the commissioner's authorized representative.
- (3) The administrator of the motor carrier services division of the department of state revenue.
- (4) The director of the governor's council on impaired and dangerous driving.
- (5) A school bus driver appointed by the state superintendent upon the recommendation of the Indiana State Association of School Bus Drivers, Inc.

(6) A superintendent of a school corporation appointed by the state superintendent upon the recommendation of the Indiana Association of Public School Superintendents.

(7) A member of the governing body of a school corporation appointed by the state superintendent upon the recommendation of the Indiana School Boards Association.

(8) A representative of the Indiana School for the Blind **and Visually Impaired** or the Indiana School for the Deaf appointed by the state superintendent.

(9) A member of the School Transportation Association of Indiana appointed by the state superintendent upon the recommendation of the School Transportation Association of Indiana.

(b) The state superintendent shall designate a secretary from the department who shall keep the official record of the meetings and of official transactions of the committee.

SECTION 62. IC 20-33-3-33, AS ADDED BY HEA 1288-2005, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 33. The employment of children by the:

(1) Indiana School for the Deaf; and

(2) Indiana School for the Blind **and Visually Impaired**;

is subject to the general restrictions imposed on child labor under this chapter.

SECTION 63. IC 20-35-2-1, AS ADDED BY HEA 1288-2005, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) There is established under the state board a division of special education. The division shall exercise all the power and duties set out in this chapter, IC 20-35-3 through IC 20-35-6, and IC 20-35-8.

(b) The governor shall appoint, upon the recommendation of the state superintendent, a director of special education who serves at the pleasure of the governor. The amount of compensation of the director shall be determined by the budget agency with the approval of the governor. The director has the following duties:

(1) To do the following:

(A) Have general supervision of all programs, classes, and schools for children with disabilities, including those conducted by public schools, the Indiana School for the Blind **and Visually Impaired**, the Indiana School for the Deaf, the department of correction, the state department of health, the division of disability, aging, and rehabilitative services, and the division of mental health and addiction.

(B) Coordinate the work of schools described in clause (A). For programs for preschool children with disabilities as required under IC 20-35-4-9, have general supervision over programs, classes, and schools, including those conducted by the schools or other state or local service providers as contracted for under IC 20-35-4-9. However, general supervision does not include the determination of admission standards for the state departments, boards, or agencies authorized to provide programs or classes under this chapter.

(2) To adopt, with the approval of the state board, rules governing the curriculum and instruction, including licensing of personnel in the field of education, as provided by law.

(3) To inspect and rate all schools, programs, or classes for children with disabilities to maintain proper standards of personnel, equipment, and supplies.

(4) With the consent of the state superintendent and the budget agency, to appoint and determine salaries for any assistants and other personnel needed to enable the director to accomplish the duties of the director's office.

(5) To adopt, with the approval of the state board, the following:

(A) Rules governing the identification and evaluation of children with disabilities and their placement under an individualized education program in a special education program.

(B) Rules protecting the rights of a child with a disability and the parents of the child with a disability in the identification, evaluation, and placement process.

(6) To make recommendations to the state board concerning standards and case load ranges for related services to assist each

teacher in meeting the individual needs of each child according to that child's individualized education program. The recommendations may include the following:

(A) The number of teacher aides recommended for each exceptionality included within the class size ranges.

(B) The role of the teacher aide.

(C) Minimum training recommendations for teacher aides and recommended procedures for the supervision of teacher aides.

(7) To cooperate with the interagency coordinating council established by IC 12-17-15-7 to ensure that the preschool special education programs required IC 20-35-4-9 are consistent with the early intervention services program described in IC 12-17-15.

(c) The director or the state board may exercise authority over vocational programs for children with disabilities through a letter of agreement with the department of workforce development.

SECTION 64. IC 20-35-3-1, AS ADDED BY HEA 1288-2005, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) The state superintendent shall appoint a state advisory council on the education of children with disabilities. The state advisory council's duties consist of providing policy guidance concerning special education and related services for children with disabilities. The state superintendent shall appoint at least seventeen (17) members who serve for a term of four (4) years. Vacancies shall be filled in the same manner for the unexpired balance of the term.

(b) The members of the state advisory council must be:

(1) citizens of Indiana;

(2) representative of the state's population; and

(3) selected on the basis of their involvement in or concern with the education of children with disabilities.

(c) A majority of the members of the state advisory council must be individuals with disabilities or the parents of children with disabilities. Members must include the following:

(1) Parents of children with disabilities.

(2) Individuals with disabilities.

(3) Teachers.

(4) Representatives of higher education institutions that prepare special education and related services personnel.

(5) State and local education officials.

(6) Administrators of programs for children with disabilities.

(7) Representatives of state agencies involved in the financing or delivery of related services to children with disabilities, including the following:

(A) The commissioner of the state department of health or the commissioner's designee.

(B) The director of the division of disability, aging, and rehabilitative services or the director's designee.

(C) The director of the division of mental health and addiction or the director's designee.

(D) The director of the division of family and children or the director's designee.

(8) Representatives of nonpublic schools and freeway schools.

(9) One (1) or more representatives of vocational, community, or business organizations concerned with the provision of transitional services to children with disabilities.

(10) Representatives of the department of correction.

(11) A representative from each of the following:

(A) The Indiana School for the Blind **and Visually Impaired** board.

(B) The Indiana School for the Deaf board.

(d) The responsibilities of the state advisory council are as follows:

(1) To advise the state superintendent and the state board regarding all rules pertaining to children with disabilities.

(2) To recommend approval or rejection of completed comprehensive plans submitted by school corporations acting individually or on a joint school services program basis with other corporations.

(3) To advise the department of unmet needs within Indiana in the education of children with disabilities.

(4) To provide public comment on rules proposed by the state board regarding the education of children with disabilities.

- (5) To advise the department in developing evaluations and reporting data to the United States Secretary of Education under 20 U.S.C. 1418.
- (6) To advise the department in developing corrective action plans to address findings identified in federal monitoring reports under 20 U.S.C. 1400 et seq.
- (7) To advise the department in developing and implementing policies related to the coordination of services for children with disabilities.
- (e) The state advisory council shall do the following:
- (1) Organize with a chairperson selected by the state superintendent.
 - (2) Meet as often as necessary to conduct the council's business at the call of the chairperson, upon ten (10) days written notice, but not less than four (4) times a year.
- (f) Members of the state advisory council are entitled to reasonable amounts for expenses necessarily incurred in the performance of their duties.
- (g) The state superintendent shall do the following:
- (1) Designate the director to act as executive secretary of the state advisory council.
 - (2) Furnish all professional and clerical assistance necessary for the performance of the state advisory council's powers and duties.
- (h) The affirmative votes of a majority of the members appointed to the state advisory council are required for the state advisory council to take action.
- SECTION 65. IC 20-35-4-10, AS ADDED BY HEA 1288-2005, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 10. (a) For purposes of this section, "comprehensive plan" means a plan for educating the following:
- (1) All children with disabilities that a school corporation is required to educate under sections 8 through 9 of this chapter.
 - (2) The additional children with disabilities that the school corporation elects to educate.
- (b) For purposes of this section, "school corporation" includes the following:
- (1) The Indiana School for the Blind **and Visually Impaired** board.
 - (2) The Indiana School for the Deaf board.
- (c) The state board shall adopt rules under IC 4-22-2 detailing the contents of the comprehensive plan. Each school corporation shall complete and submit to the state superintendent a comprehensive plan. School corporations operating cooperative or joint special education services may submit a single comprehensive plan. In addition, if a school corporation enters into a contractual agreement as permitted under section 9 of this chapter, the school corporation shall collaborate with the service provider in formulating the comprehensive plan.
- (d) Notwithstanding the age limits set out in IC 20-35-1-1, the state board may:
- (1) conduct a program for the early identification of children with disabilities, between the ages of birth and less than twenty-two (22) years of age not served by the public schools or through a contractual agreement under section 9 of this chapter; and
 - (2) use agencies that serve children with disabilities other than the public schools.
- (e) The state board shall adopt rules under IC 4-22-2 requiring the:
- (1) department of correction;
 - (2) state department of health;
 - (3) division of disability, aging, and rehabilitative services;
 - (4) Indiana School for the Blind **and Visually Impaired** board;
 - (5) Indiana School for the Deaf board; and
 - (6) division of mental health and addiction;
- to submit to the state superintendent a plan for the provision of special education for children in programs administered by each respective agency who are entitled to a special education.
- (f) The state superintendent shall furnish professional consultant services to school corporations and the entities listed in subsection (e) to aid them in fulfilling the requirements of this section.
- SECTION 66. IC 20-35-8-2, AS ADDED BY HEA 1288-2005,

SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) The state board shall adopt rules under IC 4-22-2 to establish limits on the amount of transportation that may be provided in the student's individualized education program. Unless otherwise specially shown to be essential by the child's individualized education program, in case of residency in a public or private facility, these rules must limit the transportation required by the student's individualized education program to the following:

- (1) The student's first entrance and final departure each school year.
 - (2) Round trip transportation each school holiday period.
 - (3) Two (2) additional round trips each school year.
- (b) If a student is a transfer student receiving special education in a public school, the state or school corporation responsible for the payment of transfer tuition under IC 20-33-6-1 through IC 20-33-6-4 shall pay the cost of transportation required by the student's individualized education program. However, if a transfer student was counted as an eligible student for purposes of a distribution in a calendar year under IC 21-3-3.1, the transportation costs that the transferee school may charge for a school year ending in the calendar year shall be reduced by the sum of the following:
- (1) The quotient of:
 - (A) the amount of money that the transferee school is eligible to receive under IC 21-3-3.1-2.1 for the calendar year in which the school year ends; divided by
 - (B) the number of eligible students for the transferee school for the calendar year (as determined under IC 21-3-3.1-2.1).
 - (2) The amount of money that the transferee school is eligible to receive under IC 21-3-3.1-4 for the calendar year in which the school year ends for the transportation of the transfer student during the school year.
- (c) If a student receives a special education:
- (1) in a facility operated by:
 - (A) the state department of health;
 - (B) the division of disability, aging, and rehabilitative services; or
 - (C) the division of mental health and addiction;
 - (2) at the Indiana School for the Blind **and Visually Impaired**; or
 - (3) at the Indiana School for the Deaf;
- the school corporation in which the student has legal settlement shall pay the cost of transportation required by the student's individualized education program. However, if the student's legal settlement cannot be ascertained, the state board shall pay the cost of transportation required by the student's individualized education program.
- (d) If a student is placed in a private facility under IC 20-35-6-2 in order to receive a special education because the student's school corporation cannot provide an appropriate special education program, the school corporation in which the student has legal settlement shall pay the cost of transportation required by the student's individualized education program. However, if the student's legal settlement cannot be ascertained, the state board shall pay the cost of transportation required by the student's individualized education program.

SECTION 67. THE FOLLOWING ARE REPEALED [EFFECTIVE JULY 1, 2005]: IC 20-15-1-7; IC 20-16-1-7; IC 20-21-1-7; IC 20-22-1-7."

Renumber all SECTIONS consecutively.
(Reference is to SB 433 as printed February 4, 2005.)
and when so amended that said bill do pass.
Committee Vote: yeas 7, nays 0.

BEHNING, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Roads and Transportation, to which was referred Engrossed Senate Bill 570, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 8, nays 1.

DUNCAN, Chair

Report adopted.

RESOLUTIONS ON FIRST READING

House Resolution 26

Representative Messer introduced House Resolution 26:

A HOUSE RESOLUTION honoring Nora Van Natta for her service to Shelby County and Indiana.

Whereas, Nora Van Natta has served Shelby County ably in many capacities;

Whereas, Nora Van Natta was the clerk of the Shelby County courts for ten years, the Shelby County treasurer for eight years, the assistant Shelby County auditor for two years, and secretary of the Shelby County Board of Health;

Whereas, During her time in office, Nora Van Natta established a reputation as a person capable of getting many votes;

Whereas, She married Ralph Van Natta in 1952 and together had four children: Bruce, Karla, Robert, and James, twelve grandchildren, and nine great grandchildren;

Whereas, Nora Van Natta was an invaluable partner to her husband during his two terms as mayor of Shelbyville, his time served as head of the Bureau of Motor Vehicles during Governor Bowen's administration, and his highly competitive campaigns for governor and U.S. Congress;

Whereas, Nora Van Natta has been an active citizen and a tireless worker for the Republican party since she began her career as a precinct committeewoman in 1963; and

Whereas, The dedication to public service exhibited by Nora Van Natta will be remembered for years to come: Therefore,

Be it resolved by the House of Representatives of the General Assembly of the State of Indiana:

SECTION 1. That the members of the Indiana House of Representatives express their gratitude to Nora Van Natta for the years of dedicated service she has willingly and unselfishly given to the Republican party, Shelby County, and Indiana.

SECTION 2. That the Principal Clerk of the House of Representatives shall transmit a copy of this resolution to Nora Van Natta and her family.

The resolution was read a first time and adopted by voice vote.

Senate Concurrent Resolution 38

The Speaker handed down Senate Concurrent Resolution 38, sponsored by Representative Torr:

A CONCURRENT RESOLUTION honoring Daniel Kent as a top Indiana youth volunteer.

Whereas, Daniel Kent is a sophomore at Brebeuf Jesuit Preparatory School;

Whereas, Mr. Kent created a nonprofit corporation to promote computer and Internet literacy among senior citizens. He has taught both seniors and elementary school students how to use computers and the Internet;

Whereas, Mr. Kent founded "Senior Connects" to build computer labs and teach Internet classes in senior centers and assisted-care facilities;

Whereas, Senior Connects has collected over \$110,000 in donations of funds and equipment, has built or enhanced computer labs in 61 senior facilities, and taught basic e-mail and Internet skills to hundreds of senior citizens; and

Whereas, in recognition of Mr. Kent's devotion and effort, Prudential Financial, in partnership with the National Association of Secondary School Principals has selected Mr. Kent as an Indiana Top Youth Volunteer: Therefore,

Be it resolved by the Senate of the General Assembly of the State of Indiana, the House of Representatives concurring:

SECTION 1. That the Indiana General Assembly honors Daniel Kent for his exceptional volunteer spirit.

SECTION 2. That te Secretary of the Senate is hereby directed to

transmit a copy of this resolution to Daniel Kent, Andrew Noga, Principal of Brebeuf Jesuit Preparatory School, Harold Banks, Prudential Financial, and Michelle White, NASSP.

The resolution was read a first time and adopted by voice vote. The Clerk was directed to inform the Senate of the passage of the resolution.

The House recessed until the fall of the gavel.

RECESS

The House reconvened at 9:50 p.m. with the Speaker in the Chair.

Representatives Kromkowski and Mays were excused for the rest of the day.

Upon request of Representative Pelath, the Speaker ordered the roll of the House to be called to determine the presence or absence of a quorum. Roll Call 262: 68 present. The Speaker declared a quorum.

OTHER BUSINESS ON THE SPEAKER'S TABLE

PETITION TO CHANGE VOTING RECORD

Mr. Speaker: Pursuant to House Rule 75, I hereby petition to change my voting record on the third reading of Engrossed Senate Bill 444, Roll Call 260, on March 21, 2005. In support of this petition, I submit the following reason:

"I was temporarily away from my desk and was unable to reach it in time to record my vote . I intended to vote yea."

POND

There being a constitutional majority voting in favor of the petition, the petition was adopted. [*Journal Clerk's note: this changes the vote tally for Roll Call 260 to 91 yeas, 6 nays.*]

HOUSE MOTION

Mr. Speaker: I move that House Rule 106.1 be suspended for the purpose of adding more than three cosponsors and that Representative Thomas be added as cosponsor of Engrossed Senate Bill 95.

MESSER

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that House Rule 106.1 be suspended for the purpose of adding more than three cosponsors and that Representative Thomas be added as cosponsor of Engrossed Senate Bill 98.

MESSER

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that House Rule 106.1 be suspended for the purpose of adding more than three cosponsors and that Representative Thomas be added as cosponsor of Engrossed Senate Bill 101.

MESSER

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Noe be added as cosponsor of Engrossed Senate Bill 106.

TORR

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives Walorski, J. Smith, and Bright be added as cosponsors of Engrossed Senate Bill 132.

BORDERS

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives Kuzman, V. Smith, and Becker be removed as cosponsors of Engrossed Senate Bill 218.

WHETSTONE

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives Noe and Davis be added as cosponsors of Engrossed Senate Bill 219.

WOODRUFF

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Noe be added as cosponsor of Engrossed Senate Bill 227.

BUELL

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Grubb be removed as cosponsor of Engrossed Senate Bill 267.

GUTWEIN

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives Hoffman, Becker, and Whetstone be added as cosponsors of Engrossed Senate Bill 301.

HINKLE

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that House Rule 106.1 be suspended for the purpose of adding more than three cosponsors and that Representatives Koch, Woodruff, and Thomas be added as cosponsors of Engrossed Senate Bill 335.

ESPICH

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Thomas be added as cosponsor of Engrossed Senate Bill 378.

WOODRUFF

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives Davis and Yount be added as cosponsors of Engrossed Senate Bill 414.

T. HARRIS

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives Woodruff and J. Smith be added as cosponsors of Engrossed Senate Bill 503.

KOCH

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Noe be added as cosponsor of Engrossed Senate Bill 612.

TORR

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Thomas be added as cosponsor of Engrossed Senate Bill 615.

BECKER

Motion prevailed.

**ENGROSSED SENATE BILLS
ON SECOND READING**

Engrossed Senate Joint Resolution 7

Representative Turner called down Engrossed Senate Joint Resolution 7 for second reading. The joint resolution was read a second time by title. There being no amendments, the joint resolution was ordered engrossed.

Engrossed Senate Bill 609

Representative Espich called down Engrossed Senate Bill 609 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

Engrossed Senate Bill 578

Representative Buell called down Engrossed Senate Bill 578 for second reading. The bill was read a second time by title.

HOUSE MOTION

(Amendment 578-2)

Mr. Speaker: I move that Engrossed Senate Bill 578 be amended to read as follows:

Page 51, between lines 37 and 38, begin a new paragraph and insert:

"SECTION 76. IC 5-13-9-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) Each officer designated in section 1 of this chapter may invest or reinvest any funds that are held by the officer and available for investment in any of the following:

(1) Securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States and issued by any of the following:

(A) The United States Treasury.

(B) A federal agency.

(C) A federal instrumentality.

(D) A federal government sponsored enterprise.

(2) Securities fully guaranteed and issued by any of the following:

(A) A federal agency.

(B) A federal instrumentality.

(C) A federal government sponsored enterprise.

(3) **Obligations issued, assumed, or guaranteed as to the payment of principal and interest by the State of Israel.**

(b) If an investment under subsection (a)(1) is made at a cost in excess of the par value of the securities purchased, any premium paid for the securities shall be deducted from the first interest received and returned to the fund from which the investment was purchased, and only the net amount is considered interest income.

(c) The officer making the investment may sell any securities acquired and may do anything necessary to protect the interests of the funds invested, including the exercise of exchange privileges which may be granted with respect to maturing securities in cases where the new securities offered in exchange meet the requirements for initial investment.

(d) The investing officers of the political subdivisions are the legal custodians of securities under this chapter. They shall accept safekeeping receipts or other reporting for securities from:

(1) a duly designated depository as prescribed in this article; or

(2) a financial institution located either in or out of Indiana having custody of securities with a combined capital and surplus of at least ten million dollars (\$10,000,000) according to the last statement of condition filed by the financial institution with its governmental supervisory body.

(e) The state board of accounts may rely on safekeeping receipts or other reporting from any depository or financial institution.

(f) In addition to any other investments allowed under this chapter,

an officer of a conservancy district located in a city having a population of more than four thousand six hundred fifty (4,650) but less than five thousand (5,000) may also invest in:

- (1) municipal securities; and
- (2) equity securities;

having a stated final maturity of any number of years or having no stated final maturity. The total investments outstanding under this subsection may not exceed twenty-five percent (25%) of the total portfolio of funds invested by the officer of a conservancy district. However, an investment that complies with this subsection when the investment is made remains legal even if a subsequent decrease in the total portfolio invested by the officer of a conservancy district causes the percentage of investments outstanding under this subsection to exceed twenty-five percent (25%).

(g) In addition to any other investments allowed under this chapter, a clerk-treasurer of a town with a population of more than six thousand three hundred (6,300) but less than ten thousand (10,000) located in a county having a population of more than one hundred thousand (100,000) but less than one hundred five thousand (105,000) may also invest money in a host community agreement future fund established by ordinance of the town in:

- (1) municipal securities; and
- (2) equity securities;

having a stated final maturity of any number of years or having no stated final maturity. The total investments outstanding under this subsection may not exceed twenty-five percent (25%) of the total portfolio of funds invested by the clerk-treasurer of a town. However, an investment that complies with this subsection when the investment is made remains legal even if a subsequent decrease in the total portfolio invested by the clerk-treasurer of a town causes the percentage of investments outstanding under this subsection to exceed twenty-five percent (25%).

SECTION 77. IC 5-13-9-5.6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5.6. (a) Except for investments allowed under section 2(a)(3), 2(f), or 2(g) of this chapter, investments made under this chapter must have a stated final maturity of not more than:

- (1) five (5) years for a conservancy district located in a city having a population of more than four thousand six hundred fifty (4,650) but less than five thousand (5,000);
- (2) five (5) years for investments made from a host community agreement future fund established by ordinance of a town with a population of more than six thousand three hundred (6,300) but less than ten thousand (10,000) located in a county having a population of more than one hundred thousand (100,000) but less than one hundred five thousand (105,000); or
- (3) **except as provided in subsection (b)**, two (2) years for a fund or political subdivision not described in subdivision (1) or (2);

after the date of purchase or entry into a repurchase agreement.

(b) **An investment made in a security described in section 2(a)(3) of this chapter must have a stated final maturity of not more than five (5) years from the date of purchase.**

Renumber all SECTIONS consecutively.

(Reference is to ESB 578 as printed March 18, 2005.)

MURPHY

Motion prevailed. The bill was ordered engrossed.

Engrossed Senate Bill 467

Representative Buell called down Engrossed Senate Bill 467 for second reading. The bill was read a second time by title.

HOUSE MOTION (Amendment 467-3)

Mr. Speaker: I move that Engrossed Bill 467 be amended to read as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning motor vehicles and to make an appropriation.

Page 4, line 5, delete "state" and insert "**community and home options to institutional care for the elderly and disabled program**".

Page 4, line 5, delete "branch" and insert "**plate**".

Page 4, line 6, delete "IC 9-29-14-1." and insert "**section 16 of this chapter**".

SECTION 7. IC 9-18-15-16 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 16. (a) The community and home options to institutional care for the elderly and disabled program license plate fund is established.**

(b) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public trust funds are invested. Interest that accrues from these investments shall be deposited in the fund. Money in the fund is continuously appropriated for purposes of this section.

(c) The commissioner shall administer the fund. Expenses of administering the fund shall be paid from money in the fund.

(d) Beginning on July 31, 2006, and on July 31 of each year thereafter, the commissioner shall distribute the money from the fund to the community and home options to institutional care for the elderly and disabled program fund established by IC 12-10-10-12.

(e) Money in the fund at the end of a state fiscal year does not revert to the state general fund."

Page 4, line 16, delete "state" and insert "**community and home options to institutional care for the elderly and disabled program**".

Page 4, line 17, delete "branch" and insert "**plate**".

Page 4, line 17, delete "IC 9-29-14-1." and insert "**IC 9-18-15-16**".

Page 4, between lines 17 and 18, begin a new paragraph and insert:

"SECTION 10. IC 12-10-10-12 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 12. (a) The community and home options to institutional care for the elderly and disabled program fund is established to provide funding for the program in addition to appropriations made for the program in the state budget bill. The fund shall be administered by the division.**

(b) The fund consists of:

- (1) money transferred to the fund from the community and home options to institutional care for the elderly and disabled program license plate fund established by IC 9-18-15-16(a);**
- (2) appropriations made to the fund;**
- (3) gifts and bequests; and**
- (4) grants.**

(c) The expenses of administering the fund shall be paid from money in the fund.

(d) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested. Interest that accrues from these investments shall be deposited in the fund.

(e) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

(f) Beginning on August 1, 2006, and on August 1 of each year thereafter, money in the fund is continually appropriated to the division for the administration of the program under section 6 of this chapter.

(g) Distribution from the fund shall be made in the same manner as distributions of appropriations are made to the program."

Page 4, between lines 19 and 20, begin a new paragraph and insert: "SECTION 11. [EFFECTIVE UPON PASSAGE] (a) As used in this SECTION, "bureau" refers to the bureau of motor vehicles created by IC 9-14-1-1.

(b) Notwithstanding the amendment of IC 9-18-15-13 by this act, any contributions collected before July 1, 2005, as required by IC 9-18-15-10 before its amendment by this act, in the amount required by IC 9-29-5-32(4) before the repeal of IC 9-29-5-32 by this act, shall be deposited and distributed by the bureau in the manner required by IC 9-18-15-13(a) before its amendment by this act.

(c) Notwithstanding the amendment of IC 9-18-15-13 by this act, the bureau shall provide to:

(1) the treasurers of the respective state central political party committees; and

(2) the auditor of state for the purpose of making the distributions under subsection (b);

a report defining the number of personalized license plates sold in each county, including the total dollar amount due the treasurers, during any period before July 1, 2005, for which personalized license plates have been sold and a report has not been made. In addition, the bureau shall provide to the treasurers information necessary to comply with IC 3-9.

(d) Within thirty (30) days after receipt of money distributed under subsection (b), the treasurers of the respective state committees shall distribute to the treasurer of each county central committee of their respective parties an amount equal to one-half (½) of the remaining distributions provided for in subsection (b) that were collected before July 1, 2005, in that county.

(e) This SECTION expires October 31, 2005."

Page 5, after line 11, begin a new paragraph and insert:

"SECTION 13. An emergency is declared for this act."

Renumber all SECTIONS consecutively.

(Reference is to ESB 467 as printed March 18, 2005.)

GOODIN

Upon request of Representatives Goodin and Stilwell, the Speaker ordered the roll of the House to be called. Roll Call 263: yeas 46, nays 46. Motion failed.

HOUSE MOTION (Amendment 467-2)

Mr. Speaker: I move that Engrossed Senate Bill 467 be amended to read as follows:

Page 2, line 20, delete "under IC 9-29-5-32.5".

Page 3, delete lines 36 through 42.

Page 4, delete lines 1 through 6.

Page 4, line 14, delete "seven" and insert "thirty-seven".

Page 4, line 14, delete "(\$7)" and insert "(\$37)".

Page 4, delete lines 16 through 17.

Page 5, after line 11, begin a new paragraph and insert:

"SECTION 9. [EFFECTIVE UPON PASSAGE] (a) As used in this SECTION, "bureau" refers to the bureau of motor vehicles created by IC 9-14-1-1.

(b) Notwithstanding the amendment of IC 9-18-15-13 by this act, any contributions collected before July 1, 2005, as required by IC 9-18-15-10 before its amendment by this act, in the amount required by IC 9-29-5-32(4) before the repeal of IC 9-29-5-32 by this act, shall be deposited and distributed by the bureau in the manner required by IC 9-18-15-13(a) before its amendment by this act.

(c) Notwithstanding the amendment of IC 9-18-15-13 by this act, the bureau shall provide to:

(1) the treasurers of the respective state central political party committees; and

(2) the auditor of state for the purpose of making the distributions under subsection (b);

a report defining the number of personalized license plates sold in each county, including the total dollar amount due the treasurers, during any period before July 1, 2005, for which personalized license plates have been sold and a report has not been made. In addition, the bureau shall provide to the treasurers information necessary to comply with IC 3-9.

(d) Within thirty (30) days after receipt of money distributed under subsection (b), the treasurers of the respective state committees shall distribute to the treasurer of each county central committee of their respective parties an amount equal to one-half (½) of the remaining distributions provided for in subsection (b) that were collected before July 1, 2005, in that county.

(e) This SECTION expires October 31, 2005.

SECTION 10. An emergency is declared for this act."

Renumber all SECTIONS consecutively.

(Reference is to ESB 467 as printed March 18, 2005.)

GOODIN

Upon request of Representatives Goodin and Stilwell, the Speaker ordered the roll of the House to be called. Roll Call 264: yeas 41, nays 50. Motion failed.

HOUSE MOTION (Amendment 467-1)

Mr. Speaker: I move that Engrossed Senate Bill 467 be amended to read as follows:

Page 2, line 20, delete "under IC 9-29-5-32.5".

Page 3, delete lines 36 through 42, begin a new paragraph and insert:

"SECTION 6. IC 9-29-5-32 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 32. The fee for a personalized license plate under IC 9-18-15 is as follows:

(1) The applicable excise tax imposed under IC 6-6-5.

(2) The regular vehicle registration fee imposed under this chapter.

(3) A state fee of seven dollars (\$7).

~~(4) A political contribution of thirty dollars (\$30).~~

SECTION 7. [EFFECTIVE UPON PASSAGE] (a) As used in this SECTION, "bureau" refers to the bureau of motor vehicles created by IC 9-14-1-1.

(b) Notwithstanding the amendment of IC 9-18-15-13 by this act, any contributions collected before July 1, 2005, as required by IC 9-18-15-10 before its amendment by this act, in the amount required by IC 9-29-5-32(4) before the amendment of IC 9-29-5-32 by this act, shall be deposited and distributed by the bureau in the manner required by IC 9-18-15-13(a) before its amendment by this act.

(c) Notwithstanding the amendment of IC 9-18-15-13 by this act, the bureau shall provide to:

(1) the treasurers of the respective state central political party committees; and

(2) the auditor of state for the purpose of making the distributions under subsection (b);

a report defining the number of personalized license plates sold in each county, including the total dollar amount due the treasurers, during any period before July 1, 2005, for which personalized license plates have been sold and a report has not been made. In addition, the bureau shall provide to the treasurers information necessary to comply with IC 3-9.

(d) Within thirty (30) days after receipt of money distributed under subsection (b), the treasurers of the respective state committees shall distribute to the treasurers of each county central committee of their respective parties an amount equal to one-half (½) of the remaining distributions provided for in subsection (b) that were collected before July 1, 2005, in that county.

(e) This SECTION expires October 31, 2005."

Page 4, delete lines 1 through 19.

Renumber all SECTIONS consecutively.

(Reference is to ESB 467 as printed March 18, 2005.)

GOODIN

After discussion, Representative Goodin withdrew the motion.

There being no further amendments, the bill was ordered engrossed.

Engrossed Senate Bill 460

Representative Ayres called down Engrossed Senate Bill 460 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

Engrossed Senate Bill 446

Representative Wolkins called down Engrossed Senate Bill 446 for second reading. The bill was read a second time by title.

HOUSE MOTION (Amendment 446-1)

Mr. Speaker: I move that Engrossed Senate Bill 446 be amended to read as follows:

Page 5, line 38, after "to a" insert "properly functioning".

Page 5, line 39, delete "." and insert "and that is not a septic tank disposal system."

(Reference is to ESB 446 as printed March 18, 2005.)

WOLKINS

Motion prevailed. The bill was ordered engrossed.

Engrossed Senate Bill 414

Representative T. Harris called down Engrossed Senate Bill 414 for second reading. The bill was read a second time by title.

HOUSE MOTION
(Amendment 414-3)

Mr. Speaker: I move that Engrossed Senate Bill 414 be amended to read as follows:

Page 6, line 5, delete "Indiana in which the applicant's business is" and insert "**Indiana**,".

Page 6, line 6, delete "located,".

Page 8, delete lines 13 through 16, begin a new line double block indented and insert:

"(B) in the case of an application submitted after December 31, 2005:

(i) to all employees working in the same NAICS industry sector to which the applicant's business belongs in the county in which the applicant's business is located, if there is more than one (1) business in that NAICS industry sector in the county in which the applicant's business is located;

(ii) to all employees working in the same NAICS industry sector to which the applicant's business belongs in Indiana, if the applicant's business is the only business in that NAICS industry sector in the county in which the applicant's business is located but there is more than one (1) business in that NAICS industry sector in Indiana; or

(iii) to all employees working in the same county as the county in which the applicant's business is located, if there is no other business in Indiana in the same NAICS industry sector to which the applicant's business belongs."

Page 9, delete lines 2 through 42.

Page 10, delete lines 1 through 7.

Renumber all SECTIONS consecutively.

(Reference is to ESB 414 as printed March 15, 2005.)

T. HARRIS

Motion prevailed. The bill was ordered engrossed.

The House recessed until the fall of the gavel to allow the minority party to caucus.

RECESS

The House reconvened at 11:10.m. with the Speaker in the Chair.

The Speaker announced that the minority party caucus would continue pass midnight and, therefore, the House could not establish a quorum to conduct business.

On the motion of Representative Hinkle, the House adjourned at 11:10 p.m., this twenty-first day of March, 2005, until Tuesday, March 22, 2005, at 1:30 p.m.

BRIAN C. BOSMA

Speaker of the House of Representatives

M. CAROLINE SPOTTS

Principal Clerk of the House of Representatives